

## Climate Finance Regional Briefing: Asia and Pacific

Liane Schalatek, Heinrich Böll Stiftung and Sam Barnard, Smita Nakhoda, Alice Caravani, ODI

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**T**hirty-one countries in the Asia and Pacific region together have received the largest volume of public climate finance so far. Distribution of finance across Asian countries has been uneven: India and China are the largest recipients of climate finance to date. Small Pacific Island states by contrast have received relatively small amounts of support despite their vulnerability. A total of twenty-one dedicated climate funds and initiatives are active in the region. Since 2003, they have approved a total of USD 2.27 billion for projects in the region; in 2012 alone USD 735 million in new projects were approved. 67% of this funding has supported mitigation activities. The majority of this mitigation finance has come from the Clean Technology Fund (CTF) and the Global Environment Facility (GEF). Almost half of all approved adaptation funding for the region to date has come from the Pilot Program for Climate Resilience and the Least Developed Countries Fund.

### Overview

The countries of Asia and the Pacific confront a diversity of economic and human development, climate mitigation, and adaptation needs. Per capita emissions in most countries are still very low. These countries bear limited historical responsibility for the accumulation of GHG emissions. Today, however, demand for cheap energy from fossil fuels in major Asian economies is one of the leading causes of GHG emission growth in the world. China is now the largest GHG emitter in the world. However, the manufacturing and technological innovations that have driven economic growth in the region may well prove essential to realising the cost reductions and advances that render widespread deployment of low carbon technologies feasible. Curbing deforestation and degradation in the region (REDD+), especially in Indonesia, is also crucial to reducing global emissions. In addition, Asia is home to the largest number of poor people in the world, many of whom are highly vulnerable to the impacts of climate change.

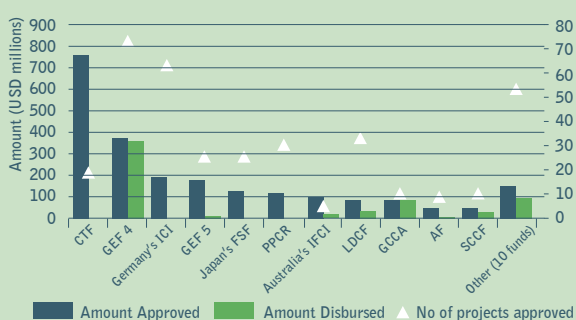
The small island states of the Pacific are particularly vulnerable, and have a strong case for receiving climate finance, predominantly for adaptation needs.

### Who provides the finance?

Table 1: Funds supporting Asia and Pacific (USD millions)

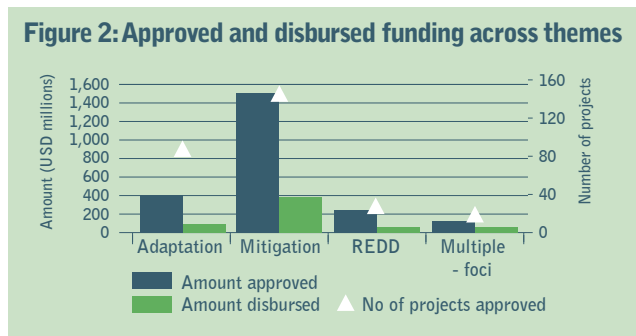
Fund	Amount Approved	Amount Disbursed	Projects Approved
Clean Technology Fund (CTF)	763.25	6.1	19
Global Environmental Facility Trust Fund (GEF 4)	379.34	371.58	74
Germany's International Climate Initiative (ICI)	195.4	unknown	64
Global Environmental Fund 4 (GEF5)	181.92	13.94	25
Japan's Fast Start Finance (FSF)	130.34	unknown	25
Pilot Program on Climate Resilience (PPCR)	117.62	2.15	31
Australia's International Forest Carbon Initiative (IFCI)	99.44	19.1	5
Least Developed Country Fund (LDCF)	75.52	31.94	33
Global Climate Change Alliance (GCCA)	71.17	50.63	10
Adaptation Fund (AF)	49.5	11.18	8
Special Climate Change Fund (SCCF)	47.86	28.87	11
Other (10 funds)	156.78	87.35	53

Figure 1: Funds supporting Asia and Pacific



Twenty-one dedicated climate funds and initiatives are active in the region. They include fifteen multilateral funds, five bilateral initiatives, and one national fund. The largest contributions are from the World Bank's CTF, which has approved a total of USD 763.25 million for nineteen projects, mostly in the form of concessional loans. The GEF4 has disbursed the largest volume of finance to the region to date, however: approximately USD 372 million for 74 projects in the region, all as grants. In addition, the governments of Germany, Japan, Australia, Norway and the UK have cumulatively provided more than USD 500 million for projects in the Asia and Pacific region through their respective bilateral climate funds and initiatives. Information on the disbursement of this finance, however, has been limited (Figure 1 and Table 1).

### What is funded?



**Table 2: Approved and disbursed funding across themes (USD millions)**

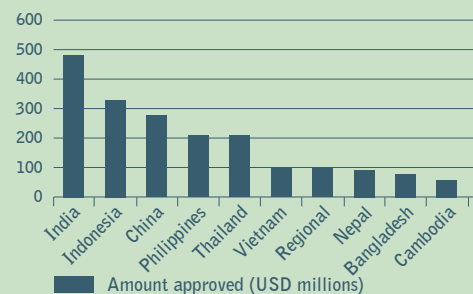
Theme	Amount Approved	Amount Disbursed	Projects Approved
Adaptation	392.11	104.79	112
Mitigation	1523.75	379.61	188
REDD+	229.37	70.51	37
Multiple foci	122.92	67.93	22

More than two thirds of the climate finance directed to Asia and the Pacific region since 2003 has supported mitigation activities (as the Figure 2 and Table 2 show). The largest mitigation project in the region approved to date is the USD 125 million Geothermal Clean Energy Investment Project in Indonesia supported by the CTF. The largest adaptation project is the USD 31.7 million Project for the Improvement of the Water Supply System in Abbottabad, Pakistan, supported through Japan's Fast Start Finance programme. The USD 43 million Kalimantan Forests and Climate Partnership project

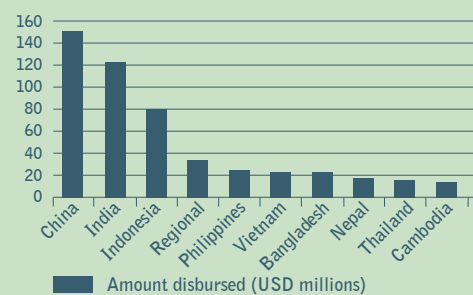
between the governments of Indonesia and Australia, under the Australia's IFCI is the largest REDD+ project approved to date and one of the most advanced large scale REDD+ demonstration activities in Indonesia.

### Who receives the money?

**Figure 3: Top 10 recipient countries by amount approved**



**Figure 4: Top 10 recipient countries by amount disbursed**



India, China and Indonesia have received 49% of the funding approved for Asia since 2003. There are also 18 regional level projects, which represent 8% of the total funding disbursed. Substantial investment programmes in the Philippines, Vietnam, and Thailand have also recently been approved by the CTF. The Scaling Renewable Energy Programme (SREP) is supporting renewable energy and access programmes in Nepal and the Maldives. The Pilot Program on Climate Resilience is supporting programmes in Cambodia, Nepal, Bangladesh, and a regional programme in the Pacific. Nevertheless, approved finance for projects in the region's most vulnerable countries, particularly the Small Pacific Island states, has been modest. Fiji, Kiribati, Marshall Islands, Samoa, Tonga, Tuvalu, Vanuatu cumulatively receive 2% of the total amount approved.

### References

Climate Funds Update Website: [www.climatefundsupdate.org](http://www.climatefundsupdate.org) (data accessed in October 2012)

### End notes

1. World Bank classification: [http://data.worldbank.org/about/country-classifications/country-and-lending-groups#East\\_Asia\\_and\\_Pacific](http://data.worldbank.org/about/country-classifications/country-and-lending-groups#East_Asia_and_Pacific) and: <http://data.worldbank.org/region/SAS>
2. Excludes contributions to multiple countries but includes regional projects.

The Climate Finance Fundamentals are based on Climate Funds Update data and available in English, French and Spanish at [www.climatefundsupdate.org](http://www.climatefundsupdate.org)