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COMPENDIUM

Climate finance in Latin America: international funding, financed measures and country profiles

This summary

sets out the key results and conclusions of the Compendium on the current situation and recent trends in climate funding in Latin America. This study provides information about the main multilateral and bilateral sources operating in Latin America at regional and national levels. It includes brief profiles of international climate funding in each of the region's countries.

Climate change is a priority for the countries of Latin America and the Caribbean (LAC), as it is for the European Union (EU), and represents a key issue in strategic relations between the two regions.

The priority given to climate change in the region is underlined by the data provided by the OECD (Organisation for Economic Cooperation and Development): for example, 25% of all bilateral funding channelled to LAC between 2010 and 2012 was linked to climate change, higher than the global average (16%).

In 2013, international climate funding allocated to the region amounted to USD 23 billion. Of this figure, USD 19 billion came from public sources and was distributed as follows:

- USD 3 billion for adaptation.
- USD 15 billion for mitigation.
- USD 1 billion for both purposes.

This trend is confirmed by bilateral contributions, which allocate 67% to mitigation, 18% to adaptation and 16% to a combination of the two, in the years 2010-2012.

Despite the renewed international commitment to increase funding for adaptation measures, the funding dedicated to mitigation remains far higher in the Latin American region.

In global terms, the sectors benefited by bilateral funding have been the general protection of the environment, agriculture, forestry resources, water, energy and transportation. In

the case of climate funds, support has been focused with a degree of preference on forestry resources, energy generation and distribution, transportation and multisectoral projects.

CONCLUSIONS:

- The European countries as well as their institutions are, along with Japan, the most significant in terms of financial contributions to the region: the European Union, France, Germany, Japan, Norway and Spain were the main bilateral donors to LAC between 2010 and 2012, according to OECD data.
- As for multilateral institutions, the Inter-American Development Bank (IDB) is the biggest funder in 2013, contributing 40% of multilateral funding in the region (the figure in 2012 was 37%), while the World Bank (WB) likewise plays an important role, along with the European Investment Bank (EIB).

- Of the global climate funds, the most significant is the Clean Technology Fund, followed by the Amazon Fund, the Global Environment Facility (GEF) in its various instances and Germany's International Climate Initiative (IKI).
- As for the funding captured, there are significant differences between the countries of the region regarding the number of projects and their volume. In general, countries have channelled funding in accordance with their mitigation priorities. Although adaptation remains a significant issue for many countries, not all manage to channel funding to this issue.
- There are considerable expectations in the region for access to the Green Climate Fund (GCF). Those countries that are best prepared and have built up experience in accessing international funding (developing national structures and presenting results), will be closer to achieving accreditation and receiving support. In this context, the development of institutional capacities represents an issue to be prioritised in several countries of the region.



Thematic Study Nº 7: **Compendium**

Objective of the study: Provide general information about sources of multilateral and bilateral funding to address climate change in Latin America, in order to contribute to strategic decision-making in the countries of the region.

Countries studied: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

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