



# Climate change and development

## The BMZ's climate-related activities

### BACKGROUND

- The 2015 Paris Agreement commits all parties to undertake climate action efforts of their own. In order to implement it, countries formulate their own Nationally Determined Contributions (NDCs).
- Climate action is enshrined in the 2030 Agenda with its 17 Sustainable Development Goals (SDGs) as a goal in itself: SDG 13.

### BMZ CONTRIBUTIONS

- Germany is supporting the efforts of developing countries and emerging economies to implement the Paris Agreement.
- Industrialised countries want to provide and mobilise, starting in 2020, an annual 100 billion US dollars from public and private sources for climate change mitigation and adaptation in developing countries.
- In 2018, the German government pledged some 3.37 billion euros on the basis of budget funds for international climate finance.

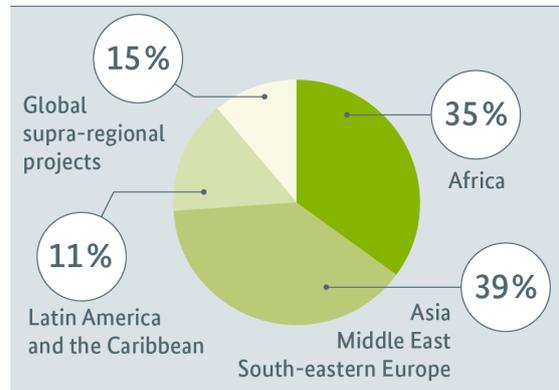
- Between 80 and 90% of this funding is from the BMZ budget. In 2018, 47% of bilateral and multilateral BMZ climate finance was pledged for adaptation measures and 53% for mitigation measures.
- Furthermore, Germany is making an important contribution by mobilising capital market funds via KfW Bankengruppe (KfW banking group) and the Deutsche Investitions- und Entwicklungsgesellschaft (DEG – the German Investment and Development Company). German public funds made available for international climate finance in 2018 thus amounted to a total of 6.61 billion euros.
- It is likely that, just over the duration of the bilateral projects initiated by the BMZ in 2017, more than 230 million tonnes of CO<sub>2</sub> will be saved.

### CORE CLIMATE INITIATIVES

- The **Development and Climate Alliance** founded by the BMZ in 2018 pays tribute to voluntary, non-governmental efforts for climate action. The Alliance already has over 400 supporters that are committed to avoiding, reducing and offsetting emissions. They offset their CO<sub>2</sub> emissions by financing projects in developing and emerging countries.



German climate financing from the public budget, 2005 to 2018 (from 2017: including grant equivalents from KfW development loans), in billions of euros



Bilateral climate funding by the BMZ from budget funds (including grant equivalents) in 2018, by area, in per cent

- The **NDC Partnership** initiated by the BMZ supports developing countries and emerging economies in implementing their Nationally Determined Contributions in combination with their goals for sustainable development swiftly and effectively. Multi-donor support has been initiated in roughly 50 countries. Developing countries are also receiving support for the presentation of new, more ambitious NDCs in 2020.
  - The **InsuResilience Global Partnership** set up to offer financial and insurance solutions for climate and disaster risks was founded in 2017 by the German government in collaboration with the G20 and the V20 (the group of the poorest and most vulnerable countries). The initiative has the target of providing protection against climate risks to 500 million vulnerable people by 2025. 25 programmes are currently being launched in 78 countries. The BMZ has so far provided about 450 million euros in support of the InsuResilience Global Partnership.
  - In November 2019, the BMZ launched a **partnership with India to foster green urban mobility**. Over the next five years, the Ministry will provide one billion euros to the Indian government for this endeavour. This is intended to provide, by 2022, sustainable transport for an additional 6 million people or more per day, thus contributing to the transformation of transport systems.
  - The project **Energising Development** (EnDev) is improving access to electricity and modern cooking energy in 25 partner countries in Africa, Latin America and Asia. Since 2005, it has helped more than 21 million people, 21,000 social institutions and 46,000 small businesses gain access to renewable energy.
  - The **REDD+ approach** is about reducing emissions from deforestation. The total BMZ forest portfolio is worth more than 2.1 billion euros.
  - Furthermore, the BMZ is also supporting the **African Forest Landscape Restoration Initiative** (AFR100). Its goal is to restore 100 million hectares of forest and tree-covered productive landscapes in Africa.
  - Together with the World Bank, the BMZ launched **ProGreen** in 2019, a global forest conservation programme. The Ministry is providing 200 million euros for this endeavour. In addition, the BMZ is making available 30 million euros for the **Central African Forest Initiative** (CAFI) and 20 million euros for indigenous communities in 2019, bringing its total new contribution to global forest conservation to 250 million euros.
  - Through the new **Action towards Climate-friendly Transport** (ACT) initiative, the BMZ is supporting the expansion of low-emission and zero emission transport.
  - The aim of the **Transformative Urban Mobility Initiative** (TUMI) is to develop sustainable mobility systems in developing countries and emerging economies, and to design innovative solutions for the megacities of tomorrow. The initiative has already managed to save 4 million tonnes of CO<sub>2</sub>.
  - The multi-stakeholder **Leadership for Urban Climate Investment** (LUCI) initiative is intended to give cities better access to climate finance, among other things through the **Cities Climate Finance Gap Fund** that has been set up by Germany.
  - The BMZ is active in the **Global Commission on Adaptation**, where it is working with other partners to help make 300 million smallholders more climate-resilient by 2030.
- ## MULTILATERAL ACTIVITIES
- The BMZ is involved with three multilateral institutions for climate finance.
    - The BMZ has invested 750 million euros (2014–2018) in the **Green Climate Fund**. With the early announcement of an additional contribution of 1.5 billion euros, we have made a significant contribution to a successful first replenishment round of the GCF.
    - In the case of the **Global Environment Facility** (GEF), the BMZ's commitment of 420 million euros makes it the second-biggest donor (2018–2022); whilst, in the case of the GEF's Least Developed Countries Fund (LDCF), its contribution of 315 million euros makes Germany the biggest donor.
    - The BMZ has contributed 550 million euros to the **Climate Investment Funds** (CIF) since 2008.
  - **Multilateral development banks** also mobilise funds for low-emission, climate-resilient investment. The BMZ supports the alignment of the banks with the goals of the Paris Agreement.