



Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety



Federal Ministry for Economic Cooperation and Development

# International climate finance: Germany's contribution

## A reliable partner for climate finance

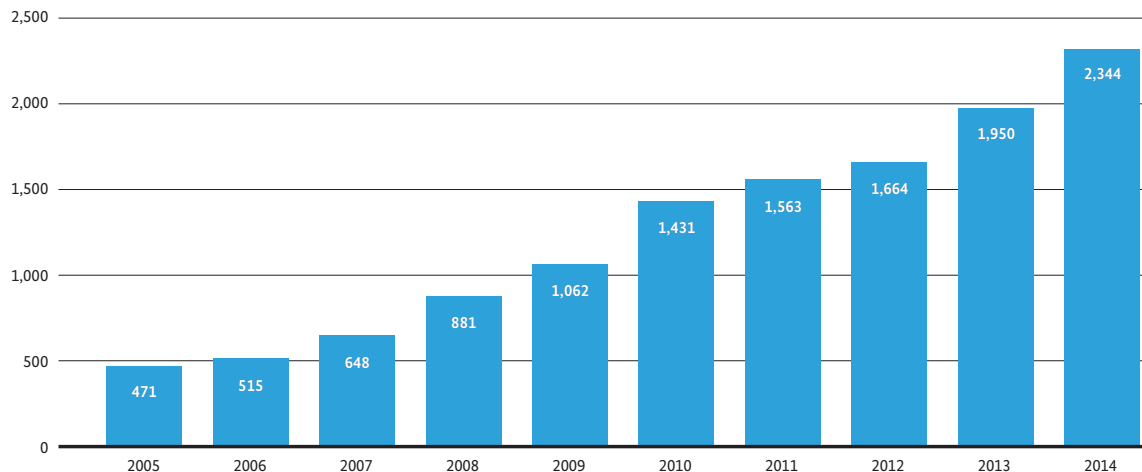
For many years now, Germany has been one of the most active partners of developing countries and emerging economies in the fields of climate protection and climate change adaptation. Since 2005, Germany has increased its contribution to international climate finance from its national budget by a factor of five to EUR 2.344 billion in 2014. At the Sixth Petersberg Climate Dialogue in May 2015, Chancellor Merkel made a commitment that Germany aims to double its international climate finance from the EUR 2 billion budgeted in 2014 to EUR 4 billion by 2020.

In addition, the KfW Development Bank raises climate relevant finance from capital markets, which is partially leveraged by finance provided by Germany's public purse. In 2014, the KfW Development Bank and DEG, the KfW Development Bank's private sector arm, provided climate relevant flows of this nature amounting to EUR 2.791 billion (hence German public climate finance amounts to EUR 5.135 billion in 2014).

## Bi- and multilateral climate finance

Bilateral cooperation is the main focus of German international climate finance. In 2014, it amounted to 81 per cent of the total budgetary climate finance. The main part of these funds is provided by the Federal Ministry for Economic Cooperation and Development (BMZ). As part of its long-term development cooperation, the BMZ supports small and large-scale climate activities in nearly all of its 50 partner countries and many of its thematic and regional programmes. The BMZ supports transformational programmes and the integration of mitigation of and adaptation to climate change into national development strategies. Since 2008, the International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) has been financing climate and biodiversity projects in developing countries and in countries in transition. The IKI supports flexible and prompt interventions, and helps to implement decisions from the Conferences of the Parties.

**German international climate finance from budgetary sources in 2005 – 2014 (in million EUR) \***

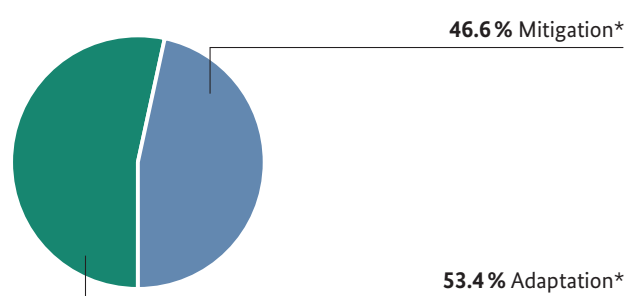


\* Actual figures: commitments from budgetary sources for all bilateral projects except Energie- und Klimafonds (Energy and Climate Fund, EKF), disbursements for EKF and multilateral projects.



Germany provides finance for mitigation, adaptation and the protection of biodiversity including REDD+, contributing to the mitigation of greenhouse gas emissions as well as adaptation to climate change. In 2014, 46.6 per cent of budget funds earmarked as bilateral climate finance were used for mitigation measures and 53.4 per cent went to measures in the field of adaptation. Of the total, 21 per cent were relevant for forest and biodiversity protection including REDD+, of which half were relevant for mitigation and adaptation, respectively.

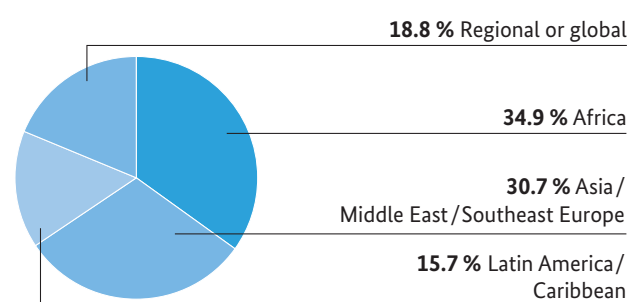
### German bilateral climate finance from budgetary sources by topic (2014) \*\*



\*A combined 21 per cent is allotted to biodiversity and forest protection including REDD+ (equally divided between adaptation and mitigation)

German climate finance is used to support projects in developing countries and emerging economies all around the world. In 2014, 34.9 per cent of bilateral budgetary climate finance was channelled to Africa, while 30.7 per cent went to Asia, the Middle East and South Eastern Europe, and 15.7 per cent to Latin America and the Caribbean. A further 18.8 per cent of projects were regional or global in nature.

### German bilateral climate finance from budgetary sources by region (2014) \*\*



\*\* Actual figures: commitments from budgetary sources for all bilateral projects except EKF, disbursements for EKF.

Contributions to multilateral institutions and funds are important elements of German international climate finance, representing 19 per cent of the total amount from budgetary sources in 2014. Germany is the third largest donor to the Global Environment Facility with a climate relevant contribution amounting to EUR 192.5 million in the last replenishment. Furthermore, Germany is the largest donor to the Least Developed Countries Fund, administered by the Global Environment Facility, with contributions of EUR 215 million since its inception. It also provided the largest share to the Adaptation Fund, amounting to EUR 90 million from 2010 to 2014.

The Green Climate Fund (GCF) is to be the key instrument in the multilateral climate finance architecture, complementing existing bilateral and multilateral approaches. As of September 2015, USD 10.2 billion (EUR 9.1 billion) have been pledged in the fund's initial resource mobilisation. As the first head of government worldwide, Chancellor Merkel announced in July 2014 that the German government will contribute EUR 750 million to the GCF.

## Mobilising private climate finance

Besides public climate finance, private climate finance plays an important role. Therefore mobilising and increasing investments from the private sector is one of the major tasks of international climate finance. To mobilise private climate finance, the German government follows a twofold approach. On the one hand, Germany provides support that directly mobilises private finance for mitigation and adaptation measures through, for example, special loan facilities or climate insurance schemes. On the other hand, Germany supports partner countries in designing, implementing and financing enabling environments for private investments in mitigation and adaptation measures. Thereby Germany indirectly mobilises additional private investments in developing countries.

#### Detailed project information can be found on the websites of

- **BMZ** ([www.bmz.de/de/was\\_wir\\_machen/themen/klimaschutz/index.html](http://www.bmz.de/de/was_wir_machen/themen/klimaschutz/index.html)),
- **BMUB** ([www.bmub.bund.de/themen/klima-energie](http://www.bmub.bund.de/themen/klima-energie)) as well as in the
- **German Biennial Report** ([unfccc.int/files/national\\_reports/annex\\_i\\_natcom/submitted\\_natcom/application/pdf/141022\\_br\\_2014\\_germany\\_english.resubmission.pdf](http://unfccc.int/files/national_reports/annex_i_natcom/submitted_natcom/application/pdf/141022_br_2014_germany_english.resubmission.pdf)).

## Imprint

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