

Global Landscape of Climate Finance 2023

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A new report indicates that global climate finance is increasing but not at a sufficient scale and pace.



[Ref: downtoearth]

About the Report:

- **Source:** Climate Policy Initiative (CPI)
- **Scope:** Tracks global climate finance flows, focusing on project-level allocation of capital for climate mitigation and adaptation.

Key Highlights of the Report:

- **Climate Finance Growth:** Annual flow of climate finance averaged **\$1.3 trillion** in 2021 and 2022, a doubling from \$653 billion in 2019 and 2020.
- **Mitigation Finance:** Saw a significant increase by **\$439 billion** between 2019 and 2020, with renewable energy and transport sectors showing the most growth.
- **Adaptation Finance:** Reached an all-time high of **\$63 billion** but still falls short of the estimated needs.
- **Geographical Distribution:** Developed countries and regions like East Asia, the Pacific, the **US, Canada, and Western Europe** mobilized the majority of climate finance.
- **Private Sector Contribution:** Accounted for **49%** of total climate finance, with significant growth in household spending on low-carbon technologies like electric vehicles.
- **Challenges:** Despite the growth, the finance flow represents only **1% of global GDP**, and there is a need to scale up to meet the estimated annual needs of **\$9 trillion** by 2030.