

# Climate finance

for those who need it most

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Linking public and private finance across local, national and international levels



# In brief

Climate finance — international, national and local, public and private, sources of funding for mitigation and adaptation — is critical in enabling developing countries to respond to climate change. Levels of climate finance are rising fast: nearly US\$10 billion has been pledged under the Green Climate Fund alone. And countries are spending far more than this from their own climate-related domestic expenditures. But the funds still fall short in making a real difference in the least developed countries that are most vulnerable to climate change. And getting available funds to the poorest citizens who need it most remains a challenge in both rural and urban areas.

## Our ambitions

Through our work with governments, local partners and other stakeholders, we seek to influence decision making at local, national and international levels to strengthen:

- **International finance architecture.** Ensuring it is shaped by, and responds to, the needs of those countries and people who need it most.
- **Access to funds.** Improving the ability of least developed countries to negotiate and access climate finance.
- **National delivery of funds.** Building the capacity of national governments to absorb and effectively deliver climate finance to the poor through their existing planning and budgeting systems.
- **Markets for the poor.** Ensuring that private sector players and markets for energy and carbon service the needs of the poor.
- **Decentralised fund management.** supporting local institutions to develop their capacity to access and manage decentralised climate finance.
- **Measuring effectiveness of climate finance.** Enabling governments to track, monitor and evaluate the effectiveness of climate finance.

## Our approach

IIED's programme of work on climate finance aims to build a strong body of evidence to inform the design of climate finance architecture locally, nationally and globally.

We work to ensure these funds can effectively reach the poor and vulnerable, building on those national and local planning and budgeting systems already in place. In the private sector, we focus on developing carbon and energy markets that work for the poor.

Across all our work, our approach emphasises:

### **Better evidence and action research.**

Producing rigorous and accessible evidence on national, local and international climate finance needs and systems, through collaborative research with partners.

### **Better communication and dialogue.**

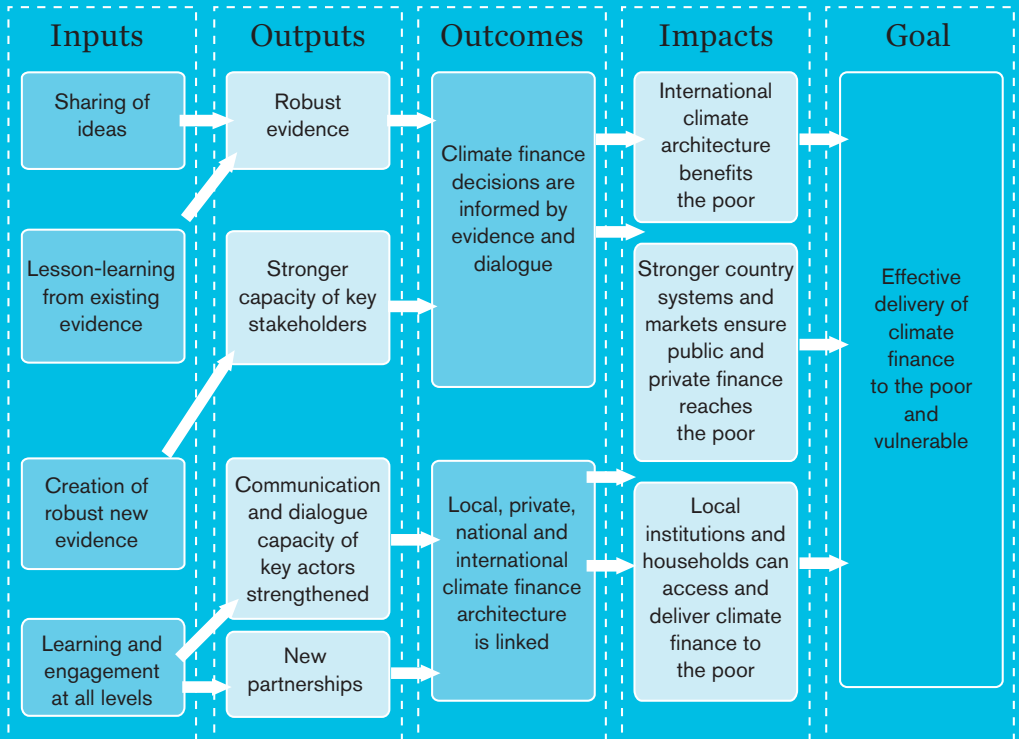
Fostering an exchange of knowledge among key stakeholders through, for example, deliberative forums.

**Better capacities.** Strengthening the capacities of national and local institutions to access and deliver climate finance effectively.

# Our theory of change

Across the globe, it is the world's poorest communities and families that are hardest hit by the impacts of climate change, despite being the least responsible for causing them. This makes it essential that poor people sit centre stage in the debate about how to finance mitigation and adaptation initiatives. Achieving such pro-poor climate finance requires a bottom-up approach to designing national and international architecture that supports and empowers those vulnerable families who face climate change in their daily lives.

At IIED, we use a combination of evidence, capacity building and communication to understand the needs of different groups within society, break down the barriers between these groups, and establish links between the various levels of climate finance planning. We believe this type of informed and participative approach to be critical to developing a coherent governance framework that can effectively deliver climate finance to the poor and vulnerable.



## Who we are

Our climate finance team is made up of researchers from across IIED, and includes experts in climate change, natural resource management, sustainable markets and human settlements. Individually, we represent a wide range of perspectives and country experiences. We work together to share learning and bring coherence to IIED's climate finance work.



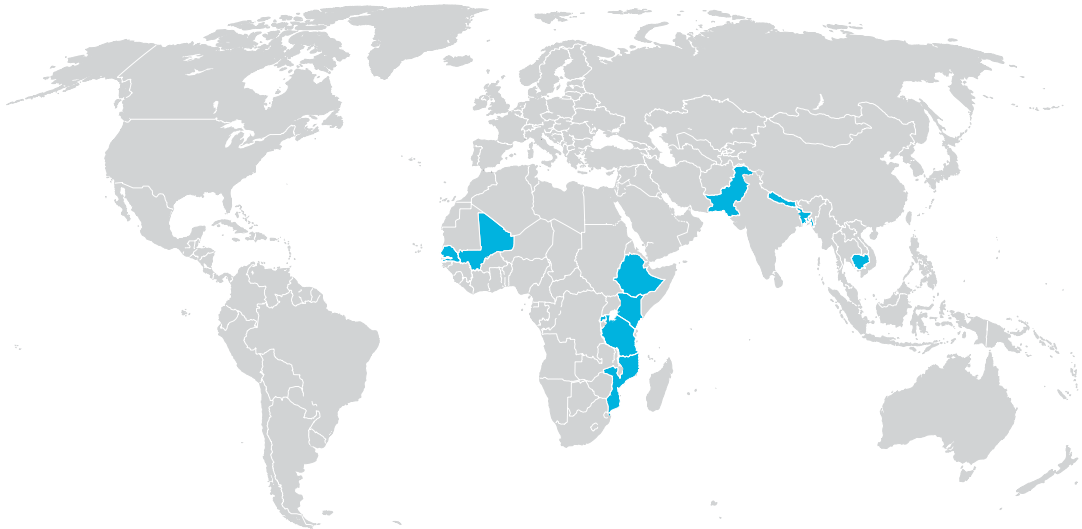
Learning hub event with government officials on climate finance

## Where we work

The climate finance team works with a wide range of partners from government, academia, business and civil society across Africa and Asia. Together, we are active in eleven countries: Bangladesh, Cambodia, Ethiopia, Kenya, Mali, Mozambique, Nepal, Pakistan, Rwanda, Senegal and Tanzania.



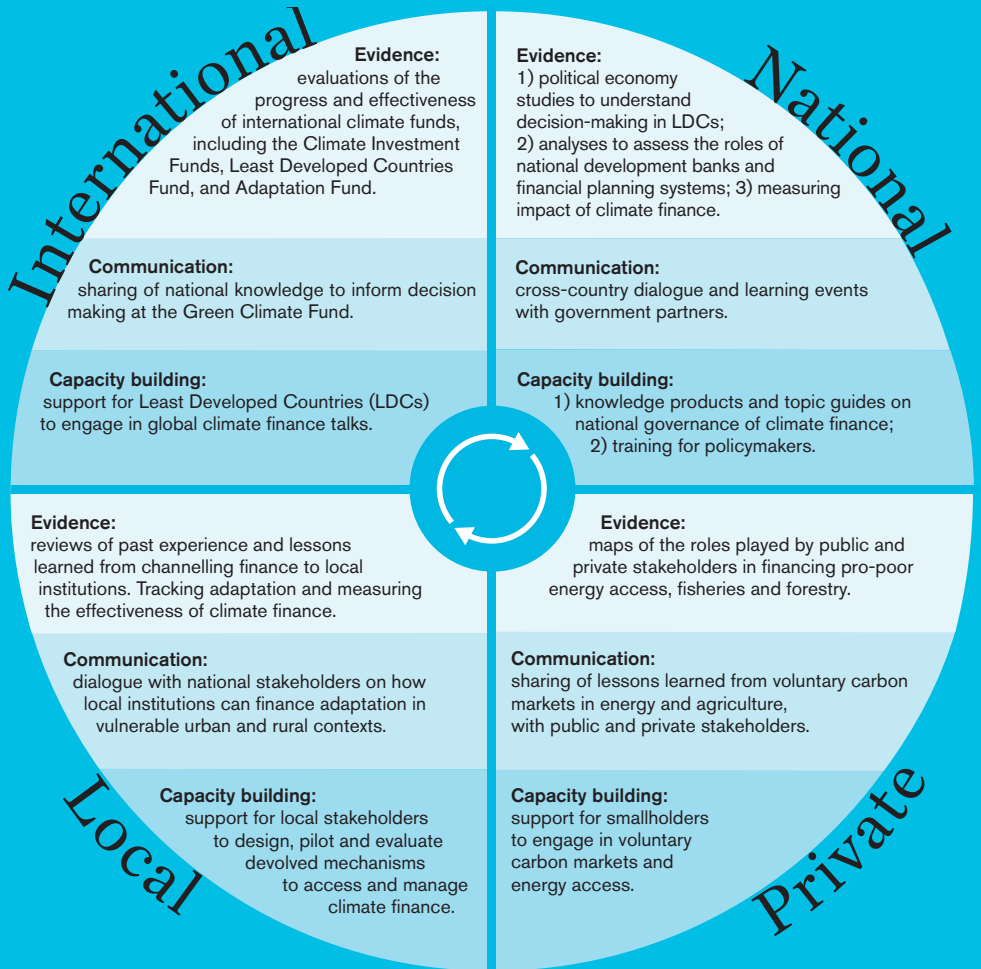
Solar irrigation pumps used for farming in Bangladesh



# Our activities

Our work links local, private, national and international levels to ensure that climate finance architecture is informed by the needs of the poorest and most vulnerable citizens and communities.

Some of our key activities are summarised in the figure below.



# Get involved

IIED's climate finance team is keen to bring in new ideas and evidence from others. We welcome your feedback, suggestions and support.

Get in touch with a member of our team to find out more about our work and how you can get involved:

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Institutional  
Materials

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### Climate change

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*Keywords:*

Climate finance, low carbon resilient development, Least Developed Countries (LDCs), mitigation, adaptation

## Read more

Financing a transition to climate-resilient green economies

<http://pubs.iied.org/17228IIED.html>

Topic Guide: a guide to national governance of climate finance

[www.evidenceondemand.info/topic-guide-a-guide-to-national-governance-of-climate-finance](http://www.evidenceondemand.info/topic-guide-a-guide-to-national-governance-of-climate-finance)

Supporting local climate adaptation planning and implementation through local governance and decentralised finance provision

<http://dx.doi.org/10.1080/09614524.2014.907240>

Locally-managed funds: a route to pro-poor development

<http://pubs.iied.org/17154IIED.html>

Sharing the load: public and private sector roles in financing pro-poor energy access

<http://pubs.iied.org/16560IIED.html>

How climate finance can support sustainable development

<http://pubs.iied.org/17169IIED.html>

Deepening readiness for climate finance: the role of the political economy

<http://pubs.iied.org/17290IIED.html>

Development finance and climate finance, achieving zero poverty and zero emissions

<http://pubs.iied.org/16587IIED.html>

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