

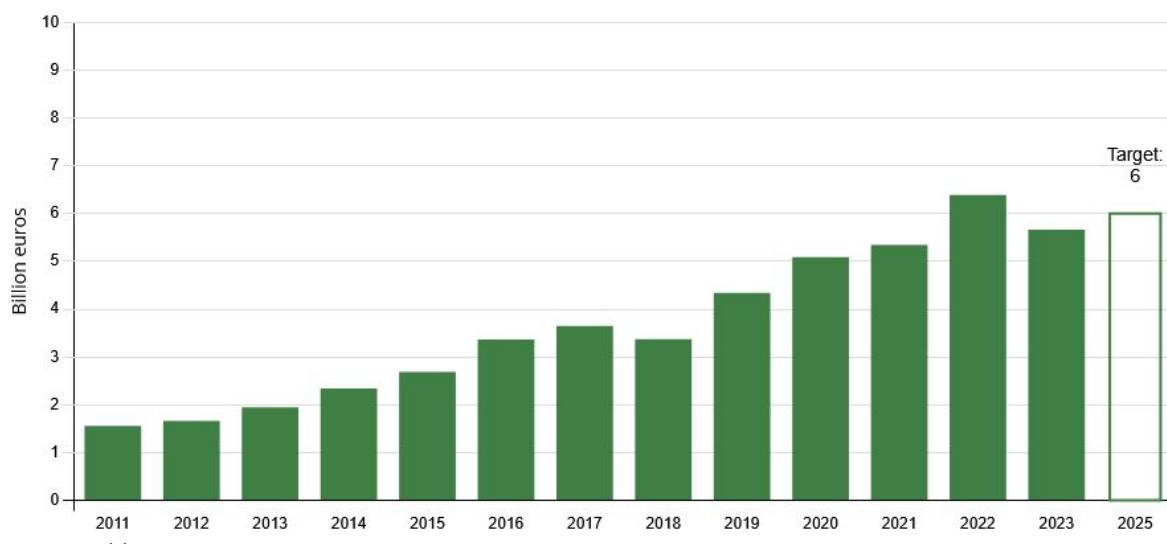


Climate protection – *Contribution to international climate finance*

13.1.b International climate finance for the reduction of greenhouse gases and adaptation to climate change

International climate finance for the reduction of greenhouse gases and adaptation to climate change

German payments primarily to developing and emerging countries



Data source(s):

Federal Ministry of Economic Cooperation and Development

Definition

The indicator shows the financing of measures to reduce greenhouse gases (GHG), adapt to climate change and climate-relevant measures to preserve biodiversity and protect forests (projects for the conservation, sustainable use and reforestation of forests under the REDD+ framework) (in billions of euros). The measures are primarily carried out in developing countries and emerging economies and are financed from German budget funds (including the gift equivalents of development loans since 2017).

Intention

The decisions accompanying the Paris Climate Agreement reaffirmed the commitment made by industrialised countries in 2009 to jointly provide USD 100 billion from public and publicly mobilised private sources for climate change mitigation and adaptation in developing countries from 2020 to 2025.

Target

Raise international climate finance to at least 6 billion euros by 2025 at the latest

Content and progress

The indicator reflects Germany's contribution to the financing of international climate-related measures. These include measures to reduce greenhouse gas emissions, measures



for climate change adaptation, as well as climate-related actions aimed at preserving biodiversity and protecting forests. The funds are drawn from the federal budget and are predominantly deployed in developing and emerging economies. Since 2017, so-called grant equivalents of development loans have also been included in the calculation. These imputed values represent the financial benefit of concessional loans compared with standard market conditions.

The data are provided by the Federal Ministry for Economic Cooperation and Development (BMZ), which also incorporates information on climate finance from other federal ministries. For bilateral climate finance, committed funds are taken into account, whereas for multilateral climate finance and contributions to energy and climate funds, actual disbursements are used as the basis. In addition, the indicator covers the proportion of climate finance within Germany's contributions to multilateral funds administered by development banks.

The politically established target stipulates that, from 2025 onwards, at least 6 billion euros per year will be allocated to international climate finance, both to reduce emissions and to support adaptation measures. This target was already met in 2022 – three years ahead of schedule – with 6.39 billion euros. In 2023, the committed or disbursed federal budget funds amounted to 5.66 billion euros. This represents a decline of 11% and once again falls short of the target. The previous target, applicable until 2020, to increase climate finance to 4 billion euros annually, was already surpassed in 2019 with 4.34 billion euros and has been consistently exceeded since.

In 2023, 57% of international climate finance was allocated to greenhouse gas mitigation measures and 43% to adaptation measures. Overall, projects were implemented in more than 80 countries. Approximately 79% of climate finance (in terms of financial volume) in 2023 was provided through bilateral cooperation with partner countries, while the remaining 21% was channelled via multilateral mechanisms.

In addition to public climate finance from the federal budget, the KfW Development Bank and the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) provide climate-related loans and financing from market-based resources. These so-called mobilised public climate finance flows are not included in the indicator. In 2023, these resources amounted to approximately 3.81 billion euros, compared with 3.09 billion euros in the previous year.

Type of target

Target with specific target value

Assessment

German contributions for greenhouse gas mitigation and climate change adaptation should be increased to at least EUR 6 billion per year by 2025.

According to the target formulation, the politically defined target was already achieved ahead of schedule in 2022. Although the value fell below the target in 2023, if the trend over the past six years continues, the 2025 target will be met. Indicator 13.1.b is therefore assessed as sun for 2023.

