

SPARK WEBINAR SERIES

Understanding Environmental Finance

Webinar 2: Introduction to Climate Finance

9 April 2024, 12-1pm EAT.

Webinar Report

Introduction

The ongoing impacts of climate change are placing increasing pressure on biodiversity and pushing many species to the brink of extinction. To address these challenges, global environmental frameworks such as the Rio Conventions offer guidance to both the public and private sector on a roadmap to mitigate climate change, biodiversity loss, and pollution. The fifteenth Conference of Parties (COP 15) to the Convention on Biological Diversity, held in December 2022, adopted the Kunming Montreal Global Biodiversity Framework (KM GBF), which sets out an ambitious roadmap for achieving a world living in harmony with nature by 2050. However, to reach the goals and targets outlined in this framework, there is a significant financing gap of \$700 billion for biodiversity conservation. Additionally, the United Nations Environment Programme (UNEP) Adaptation Gap Report identifies a \$387 billion per year financing gap for implementing domestic adaptation priorities, and UNEP's State of Finance for Nature identifies an imbalance in investment, with nature-negative flows from the private and public sector reaching almost \$7 trillion per year, with only \$200 billion per year is invested in nature-positive projects and activities. Addressing these financing gaps requires significant increases in funding and realigning financial flows from both the public and private sectors to support environmental objectives and priorities.

Against this backdrop, the Environmental Policy Unit within the Law Division of UNEP organized a Spark Webinar Series on Understanding Environmental Financing. The aim of this series is to enhance understanding to non-experts on the various components of environmental financing, including principles, approaches, and terminologies, to better integrate them into program/project design and implementation to achieve global environmental goals.

Introduction to Climate Finance

Amidst the ongoing impacts from climate change, biodiversity loss, pollution and waste, the climate emergency looms large, negatively affecting humanity globally. Recent reports, including the State of Finance for Nature by UNEP, underscores the increasing flows of nature-negative finance. Left unaddressed, these trends will exacerbate the three planetary crises. Conversely, limited or delayed climate action, coupled with the challenge of maintaining global warming below 1.5°C trajectory, will further negatively impact the environment. Addressing this challenges demands, political backing, a whole of government and society approach, and alignment of financial flows with sustainability objectives. These alignments are crucial for achieving global and national environmental goals, including those outlined in the Rio Conventions, while also tackling social adversities and implementing climate interventions such as air quality revitalization and nature protection and restoration.

Climate finance plays a pivotal role in environmental realm due to its ability to drive transformative change and facilitate the transition to a sustainable future. By providing resources for mitigation, adaptation and transition mechanisms, climate finance strengthens and facilitates climate resilience and transition both the public and private sector to implement strategies that protect our ecosystems. Furthermore, climate finance serves as a catalyst for innovation, encouraging the development and deployment of clean technologies and sustainable practices. Importantly, it fosters global cooperation and solidarity by facilitating financial support for developing countries disproportionately affected by the impacts of climate change. Ultimately, climate finance serves as an essential tool for achieving environmental objective at the global and national level aligning with national and international environmental objectives, supporting a resilient and sustainable future for the people and planet.

However, despite the critical role of climate finance, significant gaps and needs persist in its implementation realm. Limited awareness of existing financing mechanisms and the application process complexities hinder access to these funds for countries, organizations, and communities. There is a pressing need realign the nature-negative financing flows to the global environmental objectives and increase awareness of their availability. Additionally, while there are allocated financing mechanisms globally, the funding is insufficient necessitating innovative action within the climate finance realm. Moreover, the transition to a sustainable future requires mobilization of both private and public finance into nature positive investments, presenting opportunities for innovative financing mechanisms and partnerships. Closing these gaps, addressing these needs, and leveraging these opportunities are essential for advancing climate finance and effectively addressing the challenges posed by climate change.

Highlights and Recommendations from Plenary

- The imperative of youth inclusion in climate finance-related projects to ensure they benefit from available climate financing mechanisms for their initiatives.
- The necessity to bolster awareness of climate finance strategies and mechanisms, particularly for the least developed countries, to enhance access to climate finance.
- The importance of bridging the knowledge gap in the access of allocated climate financing mechanisms from Multilateral Development Banks.
- Leveraging the role of science in navigating adaptation, mitigation, and transition efforts in environmentally related decision-making processes.
- Developing and enhancing mechanisms to include small and medium enterprises (SME's) in transitioning towards nature-positive investments through climate finance, aiming to mitigate their significant environmental footprint.
- Furthering understanding of the linkages between climate finance and the nationally determined contributions (NDC's) to effectively leverage climate finance mechanisms and align financial resources with national climate action plans.
- Building mutually reinforcing and beneficial relationships among relevant stakeholders to advance climate finance, ensuring the efficient access and utilization of climate financing to achieve both global and national environmental goals.

Participants

A total of 141 participants joined the webinar within and outside of UN.

Annexes

Annex 1: Agenda

Topic	Presenter	Time
Welcome remarks	Pamella Njeru Project Support Officer Environmental Policy Unit	5 mins
Introduction to the 2nd webinar series	Dr. Balakrishna Pisupati Head, Environmental Policy Unit	5 mins
Understanding climate finance	Zhengzheng Qu Programme Management Officer Climate Finance Unit	25 mins
Practical examples, experiences and emerging issues in climate finance	Julius Mwambanga Mwangemi Associate Programme Officer Regional Office for Africa	5 mins
Q&A and discussions	Facilitator: Zhengzheng Qu Programme Management Officer Climate Finance Unit	20 mins

Annex 2: Upcoming Webinars

Webinar 3: Introduction to Nature Finance

Join: 16 April 2024, 12-1 pm (EAT)

Link: [MS TEAMS](#)

Webinar 4: Introduction to Ocean Finance

Join: 23rd April 2024, 12-1 pm (EAT)

Link: [MS TEAMS](#)

Annex 3: Link to Video Recording

<https://youtu.be/llodcAT8AwY>

Contact Information.

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