

Financing climate change mitigation and adaptation

Ben Caldecott

Head of the Environment & Energy Unit at Policy Exchange

www.policyexchange.org.uk

ben.caldecott@policyexchange.org.uk



Main sources of finance for adaptation and mitigation

- **1. Policy driven financing mechanisms** – for example the Clean Development Mechanism, Joint Implementation and in the future REDD credits and others.
- **2. Direct fiscal transfers from the developed world to the developing** – via existing and proposed multilateral funds, overseas development assistance and so on.
- **3. Domestic public sector funding** – subsidies to sectors, publically funded infrastructure (e.g. state owned), Government guarantees/primers to leverage private sector investment.
- **4. Conventional private sector investment** – Domestic savings are channelled via financial institutions into investments at home and abroad.