Climate finance has become a key topic in the discussion on how to address the challenge of global warming. Transitioning to a low-carbon and climate-resilient world will require significant amounts of additional finance and investment. According to estimates by the International Energy Agency, such finance and investment needs amount to more than US$1 trillion a year in the period up to 2050. Making sense of the rich, fragmented, and number-loaded information available on climate finance can be a challenging task, because relevant data and findings tend to be scattered across various policy documents and reports. Against this background, *International Climate Finance*, edited by Erik Haites, is useful in providing an authoritative overview of international climate finance discussions written by well-known experts, many of whom work at the forefront of the policy process.

The UNFCCC contains a general obligation for developed countries to provide financial assistance to developing countries to address climate change. In the negotiations launched in 2007 under the Bali Action Plan, state parties agreed that such financial assistance should be scaled up to match the needs of developing countries in mitigating greenhouse gas emissions and adapting to the consequences of climate change. Questions concerning the mobilization of new resources and reform of the financial mechanism of the Convention have been central to the UNFCCC negotiations through to Copenhagen and beyond. While generating a high degree of interest, climate finance also became one of the most politically sensitive issues in the negotiations. At the 2009 COP, developed countries committed to jointly mobilizing US$100

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2 UNFCCC, articles 4.3–4.5.
billion annually by the year 2020 to address climate change in developing countries. In 2010, the Green Climate Fund was established as an operating entity of the Convention’s financial mechanism, tasked with supporting climate change programmes and projects in developing countries.

In its thirteen chapters, the volume reviewed here explores such topics as estimating current financial flows and future needs in climate finance; means and sources for raising the money; and an institutional architecture under the UNFCCC. The book also contains some, albeit limited, discussion on the extent to which climate finance, in its current framing as financial assistance provided by developed countries for climate change actions in developing countries, will be effective in addressing global climate change.

Chapter 1, by Haites, provides a brief overview of the current state of international climate finance. It highlights the many conceptual and methodological difficulties concerning definitions of climate finance, estimates of current flows and needs, sources, and delivery channels. Chapter 2, by Barbara Buchner, Angela Falconer, Morgan Herve-Mignucci, and Chiara Trabacchi, presents a more detailed overall picture of current financial flows for mitigation and adaptation in developing countries, breaking them down into sources, intermediaries, financial instruments, and final uses. This chapter draws upon work of the Climate Policy Initiative, a think-tank involved in the preparation of annual reports reviewing the landscape of climate finance. Chapter 2 concludes that in 2010–2011, an estimated US$112 billion per year was provided to support climate change projects in developing countries.

Chapter 3 (by Susanne Olbrisch, Erik Haites, Matthew Savage, Pradeep Dadhich, and Manish Kumar Shrivastava), Chapter 4 (by Joel B. Smith, Thea Dickinson, Joseph D.B. Donahue, Ian Burton, Erik Haites, Richard J. T. Klein, and Anand Patwardhan), and Chapter 5 (by Urvashi Narain, Sergio Margulis, and Timothy Essam) review estimates of costs of mitigation and adaptation drawn from major studies available to date. Of note is that figures vary widely across these studies due to differences in methodologies of calculating the costs.

6 This estimate cannot be compared to the Copenhagen commitment of mobilizing US$100 billion per year, because the estimate is broader than the flows from developed countries to developing countries. Furthermore, the Copenhagen goal refers to flows additional to current finance.