

Implementation of the work programme on long-term finance

Wrap-up session

3 October, 2012

Cape Town



Mandate

- COP17 decided to undertake a work programme on long-term finance in 2012, including workshops, to progress on long-term finance in the context of decision 1/CP.16, paragraphs 97- 101.
- Work programme aims to contribute to the on-going efforts to scale up the mobilization of climate change finance after 2012.
- It will analyse options for the mobilization of resources from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources and relevant analytical work on the climate-related financing needs of developing countries.
- It will draw its analysis from relevant reports including that of the High-level Advisory Group on Climate Financing and the report on mobilizing climate finance for the Group of Twenty and the assessment criteria in the reports, and will also take into account lessons learned from fast-start finance.
- Co-chairs to prepare a report on the workshops for consideration by the Conference of the Parties at its eighteenth session.



First Workshop on Long-Term Finance

Climate-related finance needs of developing countries

- Scale of mitigation and adaptation financing needs and methodologies underpinning their assessments
- Approaches applied to methodologies used in assessing mitigation and adaptation climate related financing needs of developing countries:
 - “top-down” and “bottom-up” approaches - precision in overall economic and social costs assessments of climate mitigation and adaption activities.
- Ways to enhance developing countries’ technical capacity to accurately assess climate related financing needs, including for facilitating increased information at sectoral level:
 - establishing analytical capacity and enhancing country capability to address their needs to attract international climate finance.

Potential sources of climate finance, including public, private, bilateral, multilateral and alternative sources

- Existing and potential future sources of climate finance, innovative sources of public finance and incentive frameworks to mobilize these sources
- How “bundling” various sources of climate finance can potentially contribute to scale-up climate finance
- Reinforcing complementarity of potential sources of finance and innovation to achieve scale
- Relationship between stable long-term frameworks and adoption of emission reduction targets (carbon price) and various potential sources – complementarity of potential sources and innovation

Options for mobilizing climate finance

- Options for mobilizations of multiple sources of climate finance, viability of carbon markets as investment and revenue-generating mechanism
- Multiplicity of financial and extra-financial factors determining the direction, composition, and size of climate financial flows
 - scale of climate financial flows from various sources of finance
 - market, institutional, and policy factors and the associated risks
- Policies and instruments to mobilize private sector climate finance

Emerging early insight from lessons learned from fast-start finance

- Exploration of good practices in developed-developing country collaboration – areas of improvement. Adaptation and mitigation.
- Examples of barriers to climate finance deployment in developing countries.
- Ownership and in-country capacity to accurately identify needs and formulate climate investment strategies.
- Tracking climate finance: measuring and reporting. MRV systems for international and country-level climate financial flows.

Web-based seminar on Long-Term Finance

First Webinar

- Various approaches applied to assessment of climate related financing needs in developing countries in the longer term.
- A total of 177 participants: finance negotiators, experts from public and private finance institutions – multilateral, bilateral, national – civil society, think tanks, academia, and global consultancy firms.
- Presentations unpacking findings of the UNFCCC's NEEDS project and UNDP's work in the area of investment and financial flows.
- Insight and lessons learned from country experiences: Philippines and Costa Rica
- Accurate climate finance assessments to better inform the development climate-resilient development strategies and low-carbon investment strategies

Second webinar

- The second webinar dealt with a range of important issues related to adaptation finance.
 - sources and options for adaptation finance
 - elements of design of multilateral funds that exhibit scalability and direct access features
 - the potential role of private sector in adaptation finance in developing countries, including insurance industry.
- A total of 103 participants from various stakeholder organizations within adaptation finance

Second workshop on long-term finance

- Scaling up of climate finance and enhancing enabling conditions (policies and instruments & delivery and access).
- Interactive discussions involving climate finance experts from outside UNFCCC



Long-Term Finance Work Programme





Next steps

It is good to have an end to journey toward, but it is the journey that matters in the end.

by Ursula Leguin

- Co-chairs' report: review, analyze and digest information generated from analytical and technical discussions and submission to COP 18.

Achievements in the LTF work programme

Success is a journey, not a destination. The doing is often more important than the outcome.

by Arthur Ashe

- Contribution to the on-going efforts to scale up the mobilization of climate change finance after 2012 through:
 - Enhanced collective understanding of options for mobilizing climate finance and related work on financing needs: technical and analytical discussions; co-chairs report
 - Increased institutional knowledge on climate finance issues
 - Valuable knowledge-sharing experience and engagement with policy and climate finance expertise outside UNFCCC negotiations process for possible consideration in the future



• **Two paradoxes are better than one they may even suggest a solution.**

by Edward Teller

• **Stop worrying about the potholes in the road and celebrate the journey!**

by Barbara Hoffman

• **Success is a journey, not a destination. The doing is often more important than the outcome.**

by Arthur Ashe

• **It is good to have an end to journey toward, but it is the journey that matters in the end.**

by Ursula Leguin

• **Leadership is based on inspiration, not domination; on cooperation, not intimidation.**

by William Arthur Wood

