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Summary report on the in-session workshop on long-term climate finance in 2014

Note by the secretariat

Summary

This report contains a summary of the discussions held during the in-session workshop on long-term climate finance that took place in 2014 on: developed countries' strategies and approaches for scaling up climate finance from 2014 to 2020; cooperation on enhanced enabling environments and support for readiness activities; and the support needs of developing countries.

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I. Introduction

A. Mandate

1. The Conference of the Parties (COP), by decision 3/CP.19, took note of the co-chairs' report on the outcomes of the extended work programme on long-term finance[1] and decided to continue its deliberations on long-term finance.[2]

2. By the same decision, the COP requested the secretariat to organize in-session workshops on, inter alia: strategies and approaches for scaling up climate finance as referred to in paragraph 10 of decision 3/CP.19; cooperation on enhanced enabling environments and support for readiness activities; and the needs for support of developing countries, from 2014 to 2020. The COP also requested the secretariat to prepare a summary of the workshops for its consideration, which would also inform the biennial high-level ministerial dialogue on climate finance starting in 2014, referred to in paragraph 13 of the same decision.[3]

B. Scope of the note

3. This report contains information on the preparatory activities for and proceedings of the in-session workshop on long-term climate finance held in 2014 (chapter II), as well as a summary of the discussions held on strategies and approaches for scaling up climate finance from 2014 to 2020 (chapter III) and on cooperation on enhanced enabling environments, support for readiness activities and the needs for support of developing countries (chapter IV).

II. Proceedings of the in-session workshop

A. Preparatory activities

4. In order to fulfil the mandate outlined in paragraph 2 above, the secretariat invited Mr. Kamal Djemouai (Algeria) and Mr. Herman Sips (Netherlands) to co-facilitate the in-session workshop. In addition, the secretariat undertook informal consultations with representatives of regional groups on the margins of the 6th meeting of the Standing Committee on Finance, held on 4 and 5 March 2014, and during the fourth part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action, held from 10 to 14 March 2014. The aim of the consultations was to solicit the views of Parties on the programme design of the in-session workshop, including its objective, themes and format.

5. Building on the consultations, the secretariat organized a webinar, which took place on 25 April 2014, facilitated by Mr. Sips and Mr. Djemouai, in order to obtain further views on the programme design of the in-session workshop from a wider range of

[1] FCCC/CP/2013/7.
[2] Decision 3/CP.19, paragraphs 1 and 12.
[3] Decision 3/CP.19, paragraph 12.

stakeholders.[4] The webinar was open to all Parties and observer organizations and it ran twice to enable participants in different time zones to take part. A total of 123 participants joined the webinar. Video recordings and presentation slides have been posted on the dedicated long-term climate finance web page.[5]

6. Following the webinar and informal consultations, the secretariat, in consultation with the co-facilitators, prepared a provisional programme for the in-session workshop and invited presenters, panellists and discussion leaders for breakout group discussions. The programme is contained in annex I.

B. Proceedings

7. The in-session workshop on long-term climate finance was held on 11 and 12 June 2014, in conjunction with the fortieth sessions of the subsidiary bodies, in Bonn, Germany. The workshop was open to all Parties and admitted observer organizations attending the sessions.

8. It was divided into two parts, each part lasting three hours. Part I of the workshop was held on 11 June and focused on information on strategies and approaches for scaling up climate finance from 2014 to 2020. Part II of the workshop was held on 12 June and focused on cooperation on enhanced enabling environments, the support needs of developing countries and support for readiness activities.

9. The workshop started with opening remarks delivered by the UNFCCC Executive Secretary, Ms. Christiana Figueres. Talking about the mobilization of USD 100 billion per year by 2020, Ms. Figueres highlighted the importance of that goal, but stressed that the real and urgent needs of investments are in the order of at least USD 1 trillion in climate-resilient infrastructure, primarily in developing countries. In that context, she underlined three key aspects: the scale of required finance; the urgency with which climate investments should be made in developing countries, especially where greenhouse gas emissions are projected to grow significantly in the next 20 years; and mainstreaming climate-resilience in infrastructure investments. Furthermore, recognizing that most climate finance flows will be a combination of public and private finance, she emphasized the role of public finance in catalysing private finance to achieve scale and underscored the importance of achieving a real impact on that front.

10. Both parts of the in-session workshop started with a scene-setting presentation. In part I, a representative of the United Nations Development Programme presented an overview of the landscape of climate finance and the current level of financial flows, sharing insights that have emerged from public interventions in mitigation and adaptation programmes and projects in developing countries, and the role of international financial support in achieving scale and predictability of financial flows. Some snapshots from the presentation are provided in box 1.

[4] The informal note prepared by the secretariat to facilitate discussions at the webinar is available at <http://www.unfccc.int/files/cooperation_support/financial_mechanism/long-term_finance/application/pdf/ltf2014_webinar__informal_note_.pdf>.

[5] <http://www.unfccc.int/8168.php>.

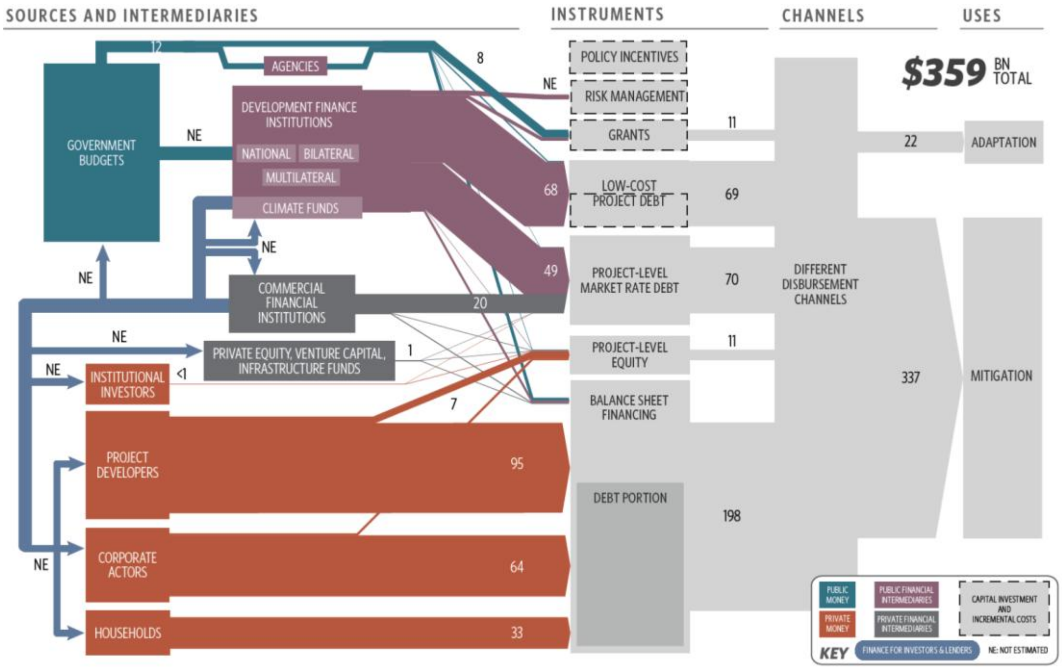
Box 1

Snapshots from the scene-setting presentation delivered by the United Nations Development Programme

The global climate finance landscape:

- Current flows were estimated to total USD 359 billion in 2012 but, according to the International Energy Agency, the investment needs to be scaled up to USD 5 trillion by 2020, just for clean energy infrastructure;
- Climate finance has various sources, channels, instruments and agents, with the end result of mitigation and/or adaptation projects and programmes.

The flows of climate finance in 2012



Source: Climate Policy Initiative, 2013.

Abbreviations: BN = billion, NE = not estimated.

The United Nations Development Programme's experience in the implementation of climate change programme and projects:

- Use country-driven, multi-stakeholder and cross-sectoral processes that define how climate finance is prioritized and implemented: integrating climate change into national development policies and strategies and across ministerial plans; providing long-term clarity and stability; and including realistic policy goals and delivery plans;
- Strengthen capacities and coordination to manage climate finance in the long term: developing the capacity to plan for, access, deliver, monitor, report and verify climate finance; providing coherence between actions across different sectors, levels and ministries; and sharing lessons and knowledge both nationally and internationally to build capacity and strengthen commitment;
- Ensure a pipeline of projects that deliver results: delivering bankable projects with tools such as economic and social impact analyses; using public finance catalytically to leverage private finance; and establishing robust monitoring and evaluation systems to track and measure the effectiveness of climate finance.

11. In part II, a representative of the Overseas Development Institute shared lessons learned from conducting needs assessment projects in developing countries, lessons that

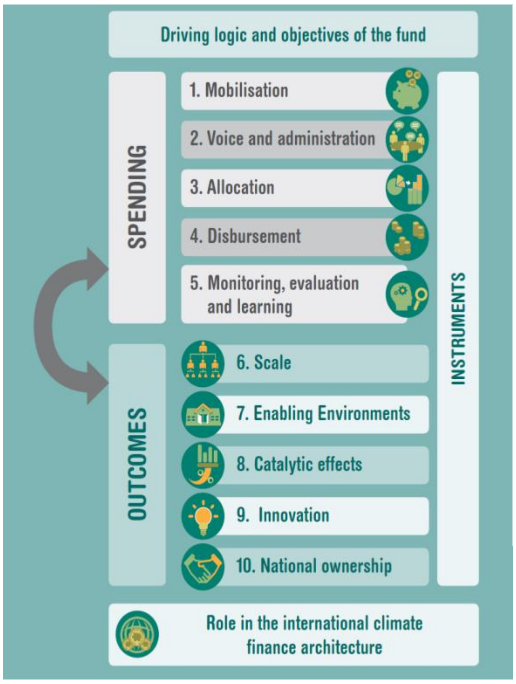
can be drawn from countries' experiences in building enabling environments conducive to scaling up financial resources, as well as information on effective climate finance and the readiness programme of the Green Climate Fund (GCF). Some snapshots from the presentation are provided in box 2.

Box 2
Snapshots from the scene-setting presentation delivered by the Overseas Development Institute

Lessons learned from needs assessments:

- UNFCCC National Economic, Environment and Development Study: estimates of countries' needs ranged from USD 45 million to USD 33.01 billion; better information on emissions and vulnerability is necessary to allow robust assessment; the scope and methods were inconsistent;
- United Nations Development Programme Needs Project: invested in detailed guidance on methodologies from the outset; sought to partner with local institutions, including national think tanks or consultants, where possible;
- Technology needs assessments: often did not have detailed costing; there is a need for deeper linkages with national processes; there was a lack of prioritization.

Understanding the effectiveness of climate finance



Source: Overseas Development Institute, 2013.

Green Climate Fund readiness priorities

Source: As contained in the presentation delivered by the Overseas Development Institute.
Abbreviations: LEDS = low-emission development strategy, NAMA = nationally appropriate mitigation action, NAP = national adaptation plan, NDA = national designated authority.

12. Following those presentations, a panel constituted of experts from Parties and international think tanks took up elements from the scene-setting presentations and provided their views in accordance with their areas of expertise and country-specific experiences. Subsequently, the workshop participants were divided into four breakout

groups to enable interactive discussions, each led by a Party representative serving as the discussion leader. A set of guiding questions was prepared by the secretariat and the co-facilitators in consultation with the discussion leaders, which are contained in annex II.

13. In order to enable interactive discussions on the topics at hand and maximize the output of the workshop, the breakout group discussion adopted a ‘carousel approach’, whereby participants were invited to switch to other discussion groups every 20 minutes. The discussion leaders reported back to the plenary at the end of each part and concluding remarks were provided by the co-facilitators. The workshop programme, presentation slides and video recordings of the in-session workshop are available on the dedicated web page.[6]

14. In order to accurately capture the discussions held during the workshop, the secretariat took into account the presentation slides, the flipcharts used during the breakout sessions, the video recordings of the workshop, the summaries of the breakout group discussions presented by the discussion leaders, and the notes taken by the secretariat throughout the workshop. The secretariat also took into account the feedback received on the draft summary report that was circulated to all resource persons, including the co-facilitators, scene-setting presenters, panellists and discussion leaders, for their review and comments on the factual presentation of their inputs to the in-session workshop.

15. Chapters III and IV below summarize the discussions that took place in part I and II of the workshop, respectively.

III. Strategies and approaches for scaling up climate finance from 2014 to 2020

16. The main objective of part I of the in-session workshop was to facilitate an exchange of views on the information submitted in 2013 by developed country Parties on strategies and approaches for mobilizing scaled-up finance.[7] A second important objective was to generate ideas and suggestions in terms of quantitative and qualitative information and level of detail that developed country Parties may provide in the subsequent submissions.[8]

17. Participants recognized that the aforementioned submissions provided valuable information on developed country Parties’ efforts to scale up climate finance and appreciated the opportunity to discuss and understand them in more detail. At the same time, participants noted the following areas for possible improvement:

(a) The incorporation of information on quantitative elements of a pathway that would create forward-looking predictability in relation to the scaling up of climate finance, informed by experiences gained from mobilizing resources during the fast-start finance period;

(b) Improved information on the expected levels of climate finance mobilized from different sources, including private finance mobilized by public interventions;

(c) Additional information and a greater level of detail on actions taken to scale up climate finance in developed country Parties to support developing country Parties, including in some cases greater specificity around actions taken to assist developing country Parties in overcoming barriers, as well as information on steps taken to enhance enabling environments in developed country Parties;

[6] <http://unfccc.int/8168.php>.

[7] By decision 1/CP.18, paragraph 67, Parties were invited to submit information on their strategies and approaches for mobilizing scaled-up climate finance.

[8] In accordance with decision 3/CP.19, paragraph 10.

(d) A more strategic vision of a paradigm shift built around specific actions and financial instruments, and ensuring that the finance provided addresses countries' needs and priorities while delivering results and impacts;

(e) The level of aggregation of the information on updated strategies and approaches should be chosen with the end-user in mind. For example, the updates should communicate to climate finance negotiators whether the collective effort to reach the USD 100 billion goal is on track. While, for actors involved in the mobilization and delivery of climate finance, the updates should contain specificities around the scale of finance, different sources, instruments, channels and access modalities;

(f) More information on how the finance provided addresses developing countries' needs and priorities identified through a country-driven approach, while delivering results and impacts.

18. Participants discussed specific examples of strategies to scale up public finance, approaches taken in mobilizing private finance through public interventions, efforts to ensure a balance between funding for adaptation and mitigation, ongoing programmes and initiatives and steps taken to enhance enabling environments. The discussions are summarized in the following sections.

A. Expected levels of climate finance mobilized from different sources

19. A number of participants acknowledged that the submission of information in 2013 referred to in paragraph 16 above on current activities supported by developed country Parties was an important tool for providing information on the mobilization of scaled-up climate finance in the period 2014–2020.

20. During the panel discussion, a representative of the Independent Association for Latin America and the Caribbean suggested that the submissions should contain forward-looking data on the expected levels of finance for the succeeding years. A representative of the United Kingdom of Great Britain and Northern Ireland presented the overall strategy of the United Kingdom's Government for scaling up climate finance, providing information on increased public funding through multi-year budgetary planning and the approach taken to scale up finance from a range of other sources such as multilateral development banks, the carbon markets and alternative sources, including the mobilization of private finance through public interventions and public finance. Another panellist, a representative of the South Centre, discussed the information on strategies and approaches from a macro- and micro-level perspective and was of the view that the implementation of the commitment to mobilizing jointly USD 100 billion per year by 2020 from different sources requires a broader, multidimensional framework.

21. Underlining the need for predictability and accessibility of resources for long-term climate actions in developing countries, some participants were of the view that information on expected levels of climate finance should be informed by the factors underlying climate finance trends in the past and the current levels of support (e.g. from the fast-start finance period), including sources, instruments and channels. This, if used to define future projections, could enhance transparency and increase the predictability of future climate finance and hence encourage the planning and implementation of low-emission development strategies and national adaptation plans in developing countries.

22. Some participants were of the view that public climate finance is available and can be further increased, but the allocations are dependent upon the preparation of good project pipelines that match the funding criteria, especially in the area of adaptation. Other participants noted, however, that developing such project pipelines is costly and requires

time and expertise that is often lacking in developing countries. Another view expressed was that having project pipelines in place could be considered an added condition for receiving climate finance support, and that much of the financial resources for adaptation activities are currently provided by developing countries themselves owing to insufficient financing for adaptation being provided under the Convention.

23. This led to discussions on climate finance related definitions and the difficulty for most Parties and other actors involved in preparing and funding projects to clearly identify, for example, what can be considered as an adaptation project. Highlighting experiences gained from bilateral cooperation, participants mentioned that the varied understanding of the definition of climate finance could also affect planning and allocations at the source level.

24. Two panellists, supported by some other participants, considered that the information on strategies and approaches submitted in 2013 had a strong focus on the qualitative aspects of scaling up climate finance and proposed that more attention should also be given to the quantitative aspects. One panellist additionally highlighted that it is crucial that strategies and approaches take into account issues relating to the effectiveness of climate finance, but that focusing information on such qualitative aspects does not provide clarity and predictability in relation to expected levels of climate finance.

25. Some other participants viewed qualitative aspects of the effectiveness of climate finance in the context of a more strategic perspective on scaling up climate finance, whereby a results-based management framework supports the vision of a paradigm shift, guided by specific information on public, private and alternative sources, financial instruments and delivery channels.

B. Policies, programmes and priorities

26. Discussions on policies, programmes and priorities spanned across parts I and II of the in-session workshop. The extent to which those topics were discussed varied significantly depending on the context and the subject under discussion. For example, discussions on policies that form part of strategies and approaches took place in the context of both enabling environments for mobilizing climate finance in developed countries and enabling environments for effectively facilitating the mobilization and deployment of climate finance in developing countries.

27. The discussions on policies mirrored, to a large extent, the discussions held under the extended work programme on long-term finance in 2013.[9] Some participants referred to examples of climate change policies already in place in some developing countries, highlighting the need to acknowledge where efforts to enhance enabling environments are being undertaken. Other participants cited studies that have found that conducive policies and targets (for example, in the renewable energy sector) incentivize scaled-up finance and investment from the private sector. This led to discussions on the roles and uses of public sources in scaling up climate finance for mitigation and adaptation activities in developing countries.

28. With regard to mitigation, participants discussed information on approaches that focus on addressing barriers to private climate finance and investment. Some participants referred to programme- and project-level examples of support that focus on risk mitigation, including the use of export credit agencies. Such information could benefit from improved granularity, noting the abundance of information that describes the different barriers and the lack of specificity around strategies to overcome them. Examples were presented in the panel discussions and further discussed during the breakout group discussions, including:

[9] For information thereon, see document FCCC/CP/2013/7.

Japan's example of utilizing its export credit agencies to reduce private-sector risk; and the example provided by the United States of America of channelling grant-based financing via the United States–Africa Clean Energy Finance Initiative to support early project preparation.

29. Some participants discussed the experiences of developed country Parties in setting priorities for the support provided to developing countries as part of strategies and approaches for mobilizing scaled-up climate finance. Many participants referred to priorities in relation to results and impact achieved, effectiveness in delivering climate finance, and achieving scale, especially from private sources. One Party representative cited financial innovation for achieving scale as one of the priorities that the Party had set for its provision of support to developing countries.

30. Other participants highlighted the alignment of support with the needs of developing countries as the overriding priority. The discussions on priorities then cut across the issues of country ownership, strengthening national institutions, and readiness.

31. A recurring discussion topic was the dichotomy between views on the preparation of project pipelines and the timing and stage of allocations and funding. Some participants were of the view that policies, programmes and priorities should be set up in such a way as to allow for flexibility in funding projects over a certain period of time. Whereas other participants were of the view that the development of project pipelines is critical in funding approvals, including in preparing budgetary provisions and for planning allocations.

C. Actions and plans to mobilize additional finance

32. Discussions on actions and plans to mobilize additional finance were held in the context of the need to scale up climate finance from the current level to the joint goal of USD 100 billion per year by 2020. Many participants took a forward-looking approach to the topic of additional finance by linking discussions to the availability of quantitative and qualitative information on the expected levels of climate finance. The following types of information were often cited as not being specific enough in the submitted information in 2013 referred to in paragraph 16 above:

(a) Information that increases predictability, such as targets for mobilizing additional finance from the current level of public finance in a given time frame;

(b) Information on scalability, such as potential sources, financial instruments and channels.

33. Taking into account the difficulties of longer-term budget planning and given the difficulty of predicting private finance flows, some participants were of the view that further actions and planning on additional finance are dependent on 'push and pull' factors. Specifically, the following were highlighted:

(a) Development of project pipelines that can help build the case in developed country Parties for increased allocation of public resources, especially for adaptation activities in developing country Parties;

(b) Policies and regulatory frameworks that incentivize private-sector participation in mitigation and adaptation programmes and projects;

(c) Enabling environments in developing countries that decrease policy risk and enhance the ability to attract and leverage climate finance.

34. With private finance regarded as contributing to the USD 100 billion goal, there was notable interest in information on the mobilization of private finance. Participants shared examples of plans of and actions taken by developed country Parties to mobilize finance

from the private sector, collectively and individually, underlying the centrality of those actions to the developed countries' efforts to mobilize scaled-up climate finance. Others described their efforts to mobilize private finance as part of the broader goal of keeping global warming to below 2 °C (e.g. shifting private-sector financing and investment from high-carbon investments to low-carbon and climate-resilient investments). One developed country representative shared an example of a joint initiative, the Global Innovation Lab for Climate Finance, that brings together the public and private sectors both from developed and developing countries to design, stress-test and pilot instruments and approaches targeted at catalysing private investment in climate-friendly, low-carbon projects and infrastructure in developing countries.

35. In addition, participants discussed the possibility of including information on efforts to mobilize alternative sources, including specificity on the potential use of instruments such as financial transaction taxes and special drawing rights.

36. Transparency was mentioned in several instances in the context of building trust and confidence regarding the commitment of developed country Parties to mobilize climate finance. Some participants made a distinction between transparency of information on action and plans to mobilize finance (i.e. transparency of ex-ante information) and transparency of information on climate finance provided to developing countries (i.e. transparency of ex-post information). The former was seen in the context of providing predictability and the latter as providing important information on issues such as the origin and composition of climate finance, which in turn can inform better planning in developing countries.

D. Ensuring a balance between adaptation and mitigation financing

37. Discussions on this topic focused on the efforts being undertaken by Parties to ensure a balance between financing adaptation and mitigation at the allocation phase, including at the multilateral and bilateral levels. Many participants raised various views on how Parties define the balance between adaptation and mitigation financing at the Convention level, with different participants defining it in terms of the amount or ratio of finance, or undertaking a needs-based determination of the balance, building on country-driven approaches.

38. Many participants acknowledged that, while the balance is not defined at the Convention level, there has been some progress in terms of ensuring the balance, most notably the decision of the Board of the GCF to aim for a 50:50 balance of funding between mitigation and adaptation over time, on a grant-equivalent basis, with the aim for a floor of 50 per cent allocation of funding for adaptation, particularly for vulnerable countries, including small island developing States (SIDS), the least developed countries and Africa. At the bilateral funding level, a good number of participants were of the view that it is often difficult to identify projects eligible for adaptation funding, and that this affects allocations and consequently the balance between adaptation and mitigation financing.

39. This led to discussions on barriers to scaling up climate finance for adaptation activities and solutions, with some participants highlighting needs-based allocation as an important basic approach to ensure balance. Other participants took the view that adaptation project pipelines drive allocations, which in turn determines the balance.

40. Another issue commonly raised was the influence that various sources of finance can have in achieving a balance between mitigation and adaptation financing. Some participants were of the view that, this may be difficult to achieve due to private-sector preference for mitigation projects, and that public climate finance should be the main source of funding for adaptation. One participant outlined the strategy that its government

is following to achieve a 50 per cent allocation of public finance provided to developing countries. Other participants referred to strategies and approaches that take into account building capacity and enabling environments to drive private-sector financing of and investment in adaptation projects.

E. Steps taken to enhance enabling environments

41. Discussions on enabling environments took place throughout both parts of the in-session workshop and, to a large extent, mirrored the discussions held under the extended work programme on long-term finance in 2013. In part I, the discussions focused mostly on the role of enabling environments within the scope of the information provided in the submissions on strategies and approaches for mobilizing scaled-up climate finance, while in part II the discussions took both a project-based and a broader perspective. A more detailed summary of the discussions on enabling environments is included in chapter IV below.

IV. Cooperation on enhanced enabling environments, support for readiness activities and the needs for support of developing countries

42. Part II of the in-session workshop was built around the latter three mandated elements[10] and incorporated follow-up topics relating to the effectiveness of climate finance from the report of the co-chairs on the extended work programme on long-term finance referred to in paragraph 1 above. The following subtopics guided the discussions:

(a) Lessons learned from developed–developing country cooperation on enhancing enabling environments and the effectiveness of climate finance, including from the fast-start finance period;

(b) Climate finance readiness activities, including strengthening the capacity of developing countries to effectively deliver climate projects and programmes;

(c) Actions needed to better address the needs for support of developing countries.

43. The enhancement of enabling environments was generally understood to be important for all countries. Some participants saw effective enabling environments as an underpinning element of their efforts to provide support to developing countries in the context of strategies and approaches for mobilizing scaled-up climate finance (‘push’ factors) and conducive enabling environments in the recipient countries (‘pull’ factors). For other participants, discussions on enabling environments centered on readiness activities for the effective deployment of climate finance highlighting the need for greater understanding of the needs of developing countries in general and their adaptation needs in particular.

A. Cooperation on enhanced enabling environments and readiness at the country, programme and project level

44. The importance of cooperation amongst countries was highlighted as one of the key enablers to unlock the potential of mobilization and deployment of climate finance at both the country and programme and project levels. One panellist and some participants were of the view that discussions on enabling environments for the effective deployment of climate finance should be based on approaches centred on country ownership and domestically driven programming to support the implementation of national climate strategies and plans.

[10] Decision 3/CP.19, paragraph 12.

45. Participants shared their views, based on their experience, on effective enabling environments in relation to readiness. Some participants highlighted the need for capacity-building support to access to climate finance, especially for smaller economies such as SIDS, based on the challenges they faced in accessing resources during the fast-start finance period. There was recognition that support for readiness activities is a key for accessing international funding, especially from the GCF, highlighting the importance of country-driven approaches when providing support for readiness.

46. It was emphasized that support for readiness activities should go beyond accreditation processes, take a holistic approach and be built around an iterative process with multiple entry points along the funding cycle, including the preparation of project pipelines with fundable projects and programmes. Participants recognized that readiness and preparedness also enhance the quality of projects and their expected impact, referring to the decision of the Board of the GCF that establishes readiness as a strategic priority. Some participants pointed out that readiness activities should also enable countries to access funding directly, referring to the Governing Instrument of the GCF.[11]

47. Another important issue highlighted by several participants was the need to improve the coordination and coherence of readiness activities. Some participants shared examples, which highlighted the challenges arising from the multiplicity of similar capacity-building activities and the different requirements from various accreditation processes. In light of this discussion, participants took note of the efforts undertaken by the secretariat of the GCF to develop an inventory of activities related to readiness, which will be periodically updated.

48. Furthermore, participants stressed the important role that readiness activities could play in strengthening country ownership in developing countries. The following were identified as desired outcomes of enhanced enabling environments at the country level:

(a) Increased level of predictability and sustainability of available sources of funding under the Convention, from multilateral development banks and from other multilateral climate funds;

(b) Deeper understanding of the full range of climate finance mechanisms available, including sources of multilateral and bilateral financing;

(c) Implementation of country-driven strategies for low-emission and climate-resilient development;

(d) Enhanced understanding of financial instruments, access modalities and approaches that seek to maximize investments, as well as the role of intermediaries;

(e) Incentivization of the engagement of multiple national actors and implementing agencies, including the private sector and subnational actors.

49. Various examples of developed countries' efforts to enhance enabling environments were presented by two panellists, including how the United States Government, through a series of policy directives, has included climate change as one of its three foreign assistance priorities, and concerned agencies such as the Overseas Private Investment Corporation have policies in place to shift international investments into climate-friendly activities. Another example mentioned was the decision made by the United States to phase down public financing for high-carbon energy sources except in rare circumstances, a commitment made to ensure consistency with its efforts to scale up finance for low-carbon energy sources. Some examples of the provision of country-level support to developing countries were discussed, such as the United States Enhancing Capacity for Low Emission Development Strategies (EC-LEDS) programme, covering 25 countries, and the United

[11] See decision 3/CP.17, annex, paragraph 40.

Kingdom’s Building Resilience and Adaptation to Climate Extremes and Disasters programme, implemented in 15 countries.

50. The importance of cooperation amongst countries at the programme and project level was highlighted. Participants shared examples of support provided by developed countries to developing countries to enhance their enabling environments necessary to maximize public and private finance flows.

51. Several participants shared examples of cooperation amongst countries at the programme and project level. Some developed country participants outlined project examples, mainly supported through bilateral channels, which are designed to respond to specific needs in developing countries. For example, through the EC-LEDS programme, the United States is responding to specific requests for support made by the Mexican Government. Another project example presented was Green Africa Power, supported by the United Kingdom, which is designed to address barriers to private-sector investment in renewable power generation in Africa.

52. An issue that frequently arose from the discussions was how to effectively bundle projects within and across countries, particularly in smaller economies. In that regard, and in the light of readiness activities, many participants highlighted the need to better understand the roles of financial intermediaries, including at the programme and project level.

B. Lessons learned from fast-start finance in connection with the effective deployment of climate finance

53. This discussion focused on the lessons learned from country collaboration during the fast-start finance period. Participants also shared their views on the approaches taken in deploying climate finance effectively during the fast-start finance period and their related experiences. The following are some of the themes and comments that emerged from the discussions:

(a) Most participants were of a view that robust enabling environments in both developed and developing countries are important to encourage and foster greater flows of public and private finance. In addition, it was pointed out that investing in conducive enabling environments for scaled-up climate finance is cost-effective and has strong payback;

(b) Cooperation, coordination and communication are elements that underpin the effective deployment of climate finance. Participants acknowledged numerous examples of cooperation on enhancing enabling environments between developed and developing countries during the fast-start finance period, and underlined the importance of better in-country coordination and improved coordination among contributing countries. Furthermore, it was considered important for intermediaries to better coordinate with contributors and recipients to ensure adequate delivery of climate finance. Coordination was also deemed important for achieving balance between adaptation and mitigation finance;

(c) Transparency of information on scale, sources and time frames can improve coordination among relevant stakeholders by enabling them to stay better informed and thus enhancing the flow of finance and investments.

54. The application of programmatic approaches was highlighted as an important factor for enhancing how contributing countries coordinate with various actors involved in the delivery of climate finance at the country level.

C. Actions needed to better address the needs for support of developing countries

55. Understanding the needs of developing countries was identified as an important element of developed–developing country cooperation. Many participants highlighted the importance of ensuring that the support provided by developed countries is aligned with developing countries' national climate strategies and plans and other relevant development priorities identified by developing countries themselves as part of a country-driven approach. Some participants expressed that needs can be more accurately determined when assessed in the context of preparing strategies and programmes and projects focused on implementation rather than at a general level. In that regard, some participants were of the view that readiness activities should be designed to support needs and priorities that have been identified domestically.

56. Some participants were of the view that effectively assessing the needs of developing countries will ensure that the support provided is more accurate and adequate at both the national and international levels. The discussions then mainly focused on three aspects:

(a) Lessons learned from the National Economic, Environment and Development Study (NEEDS) for climate change project;[12]

(b) How to address the identified gaps in assessing the needs;

(c) How to move from needs assessment to implementation.

57. Participants were of the view that the NEEDS project was a useful exercise due to the following characteristics: (a) a streamlined process; (b) the provision of direct funding to developing countries for carrying out the assessments; and (c) the bottom-up approach taken in identifying needs that involved local expertise.

58. Many participants acknowledged that the methodologies and tools available for assessing adaptation needs and associated costs are less precise and therefore less reliable than the methodologies and tools available for determining mitigation needs. Some participants identified this as a gap requiring further action to improve the precision and reliability of the methodological approaches and tools available for assessing adaptation needs.

59. Some participants were of the view that longer-term projections should be considered when assessing the needs of developing countries. In that regard, it was mentioned that emission scenarios can then be linked with impact and needs assessments over similar time-horizons.

60. Many participants were of the view that setting priorities and needs assessments should be country-driven processes, and that all means of implementation (finance, technology and capacity-building) are needed for implementing the projects identified in the needs assessment processes (e.g. national adaptation programmes of action). Furthermore, it was highlighted that needs assessments should look more into investment opportunities and try to identify the appropriate financial instruments required to deploy climate finance effectively. In that regard, many participants acknowledged the importance of enhanced dialogue between countries and better sharing of information and lessons learned at the international level.

[12] For further information on the project, see document FCCC/SBI/2010/INF.7.

Annex I

[English only]

Programme of the in-session workshop on long-term climate finance in 2014

Part I, held on 11 June 2014

3–3.15 p.m.	**Remarks by Ms. Christiana Figueres, Executive Secretary, UNFCCC**
3.15–3.20 p.m.	**Opening and introduction by co-facilitators** • Mr. Kamal Djemouai (Algeria) • Mr. Herman Sips (Netherlands)
3.20–4 p.m.	**Panel discussion: Updated strategies and approaches for scaling up climate finance from 2014 to 2020** This session will focus on efforts to scale up climate finance, including information on: expected levels of climate finance mobilized from different sources; policies, programmes and priorities; actions and plans to mobilize additional finance; the balance between adaptation and mitigation; and steps to enhance enabling environments. It will also discuss any concrete actions that can be undertaken to increase clarity in the mobilization of climate finance from 2014 to 2020. **Scene-setting presentation** • Ms. Cassie Flynn, United Nations Development Programme **Discussants** • Ms. Isabel Cavelier Adarve (Colombia) • Ms. Daisy Streatfeild (United Kingdom of Great Britain and Northern Ireland) • Ms. Mariama Williams, South Centre
4–5 p.m.	**Group discussions** **Session format**: In order to provide context to the discussions, the session will kick off with a short presentation, followed by a brief panel discussion. The panel discussion will be followed by interactive discussions and an exchange of perspectives in smaller groups. Each group will be supported by a dedicated discussion leader. ***Discussion leaders*** • Mr. Naderev Saño (Philippines) • Mr. Jorge Gastelumendi (Peru) • Ms. Delphine Eyraud (France) • Mr. Seyni Nafo (Mali)
5– 5.45 p.m.	**Plenary reporting**

5.45–6 p.m.	**Wrap-up by co-facilitators and closure**

Part II, held on 12 June 2014

10–10.15 a.m.	**Opening and introduction by co-facilitators** • Mr. Kamal Djemouai (Algeria) • Mr. Herman Sips (Netherlands)
10 –11 a.m.	**Panel discussion: Cooperation on enhanced enabling environments, the support needs of developing countries and support for readiness activities** This session will focus on: (a) the drivers of climate finance effectiveness on the basis of lessons learned from developed–developing country collaborations in the past, such as on fast-start finance; (b) the actions needed to better address the support needs of developing countries; and (c) climate finance readiness activities to strengthen the capacity of developing countries to effectively deliver climate projects and programmes. **Scene-setting presentation** • Ms. Smita Nakhooda, Overseas Development Institute **Discussants** • Mr. Zaheer Fakir (South Africa) • Ms. Sarah Conway (United States of America) • Mr. Amjad Abdulla (Maldives)
11 a.m.–12 p.m. **Group discussions** **Session format**: In order to provide context to the discussions, the session will kick off with a short presentation, followed by a brief panel discussion. The panel discussion will be followed by interactive discussions and an exchange of perspectives in smaller groups. Each group will be supported by a dedicated discussion leader. **Discussion leaders** • Mr. Roger Dungan (New Zealand) • Ms. Ana Fornells (Spain) • Ms. Lorena Gonzales Lopez (Mexico) • Ms. Laetitia De Marez (Nauru)	
12–12.45 p.m.	**Plenary reporting**
12.45–1 p.m.	**Wrap-up by co-facilitators and closure**

Annex II

[English only]

Questions to guide the breakout discussions at the in-session workshop on long-term climate finance in 2014

1. Part I of the in-session workshop

Group 1

How can the updated approaches and strategies be more useful in terms of the level of detail and the type of information on sources and instruments?

How can the updated information be better used to communicate actions on the ground and policies supported by developed country Parties within the international and national climate finance communities?

Group 2

What efforts are currently part of developed country Parties' strategies and approaches foreseen to scale up climate finance?

How are those efforts aligned with the priorities and programmes of developing countries?

Group 3

What are the major lessons learned from the fast-start finance period with respect to policies, programmes and priorities that are currently supported by international climate finance? How can efforts be enhanced?

How can fast-start finance planning inform updated approaches and strategies for mobilizing scaled-up climate finance?

Group 4

What insights can be obtained from the information submitted by developed country Parties in 2013 on approaches and strategies for mobilizing scaled-up climate finance?

What other efforts are being undertaken by Parties to ensure the balance between funding for mitigation and adaptation in other climate finance channels? How can those efforts inform updated information?

2. Part II of the in-session workshop

Group 1

What concrete actions are needed to strengthen the assessment of financial needs by developing countries, building on lessons learned?

Group 2

What lessons can be learned from developed–developing country collaboration in the fast-start finance period, particularly in connection with the effective deployment of climate finance?

Group 3

What actions should be prioritized to enhance enabling environments for the effective delivery of climate finance at the country and programme and project levels?

Group 4

What steps can be taken to improve the coordination and coherence of readiness activities?