United Nations

FCCC/CP/2015/2

Framework Convention on Climate Change

Distr.: General
13 October 2015

Original: English

Conference of the Parties
Twenty-first session
Paris, 30 November to 11 December 2015

Item 12(a) of the provisional agenda
Matters relating to finance
Long-term climate finance

Summary report on the in-session workshop on long-term climate finance in 2015

Note by the secretariat*

Summary

This report contains a summary of the technical discussions and outcomes of the in-session workshop on long-term climate finance held in conjunction with the forty-second sessions of the subsidiary bodies and the ninth part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action relating to the issues of adaptation finance, needs for support to developing country Parties and cooperation on enhanced enabling environments and support for readiness activities, in line with decision 5/CP.20.

* This document was submitted after the due date because the compilation of information took longer than expected.

GE.15-17670(E)

Contents

I. Introduction

A. Mandate

1. The Conference of the Parties (COP), by decision 5/CP.20, requested the secretariat to organize annual in-session workshops on long-term climate finance through to 2020 and prepare a summary of the workshops for annual consideration by the COP and the biennial high-level ministerial dialogues on climate finance. It decided that in 2015 and 2016, the in-session workshops will focus on the issues of adaptation finance, needs for support to developing country Parties and cooperation on enhanced enabling environments and support for readiness activities in accordance with decision 3/CP.19.[1]

2. Furthermore, the COP also requested the secretariat to prepare a compilation and synthesis of the biennial submissions on the strategies and approaches for scaling up climate finance from 2014 to 2020,[2] to inform the in-session workshops.[3]

3. Following consultations with Parties, the secretariat organized the in-session workshop on long-term climate finance in conjunction with the forty-second sessions of the subsidiary bodies and the ninth part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) in June 2015.

B. Scope of the note

4. This report contains information on the preparatory activities for the approach to the substantive discussions and the proceedings of the in-session workshop on long-term climate finance held in 2015 (hereinafter referred to as the workshop) (chapter II). It also includes a summary of the discussions held during the workshop (chapter III) and general reflections for the consideration of the COP (chapter IV).

II. Implementation of the work programme on long-term climate finance in 2015

A. Preparatory activities

5. In preparation for the workshop on long-term climate finance in 2015, the secretariat invited Mr. Zaheer Fakir (South Africa) and Mr. Dany Drouin (Canada) to undertake co-facilitator roles. Concurrently, the secretariat undertook informal consultations with representatives of regional groups of Parties during the eighth part of the second session of the ADP, held from 8 to 13 February 2015 in Geneva, Switzerland. The secretariat also undertook informal consultations with Parties and admitted observer organizations during the 9th meeting of the Standing Committee on Finance, held on 10 and 11 March 2015 in Bonn, Germany. Inputs provided by Parties during the consultations served as the basis for setting the objectives, content and processes of the workshop.

6. The consultations continued with a webinar organized by the secretariat on 29 April 2015 and co-facilitated by Mr. Fakir and Mr. Drouin. The webinar was aimed at obtaining views on the design of the workshop from a wide range of stakeholders and was open to all

[1] Decision 5/CP.20, paragraphs 12 and 13.
[2] FCCC/CP/2015/INF.1.
[3] Decision 5/CP.20, paragraph 11.

Parties and admitted observer organizations. It took place over two sessions in order to accommodate participants from different time zones. Approximately 80 participants joined the webinar. Further information on the webinar is available on the dedicated long-term climate finance web page.[4]

7. At the end of the consultation phase, the secretariat, in collaboration with the co-facilitators, prepared the programme for the workshop and invited practitioners to present case studies and discussion leaders to moderate breakout group discussions. The programme of the workshop is contained in annex I.

B. Approach to the substantive discussions

8. Based on the consultations with Parties and admitted observer organizations, the secretariat and the co-facilitators agreed to consider the issue of adaptation finance as the overarching theme of the workshop. Several Parties expressed the view that not enough consideration had been given to this issue in the previous years of discussions on long-term climate finance, and they also pointed out the fact that the other remaining issues identified in decision 5/CP.20 – needs for support to developing country Parties, cooperation on enhanced enabling environments and support for readiness activities – are cross-cutting with adaptation finance.

9. The approach to the discussions on adaptation finance was to explore the issue from two perspectives: a short-term perspective, aimed at discussing opportunities for scaling up finance to foster adaptation actions in developing countries; and a long-term perspective, under which Parties would consider possible policies and strategies to foster investments that enhance resilience to climate change in developing countries.

10. The secretariat, in consultation with the co-facilitators, identified discussion topics to guide Parties' interaction during the workshop based on the observed convergence in the views expressed by Parties. This convergence suggested that the programme should focus on the following:

(a) Showcasing concrete instruments and measures that contribute to the mobilization of climate finance for adaptation action in developing countries;

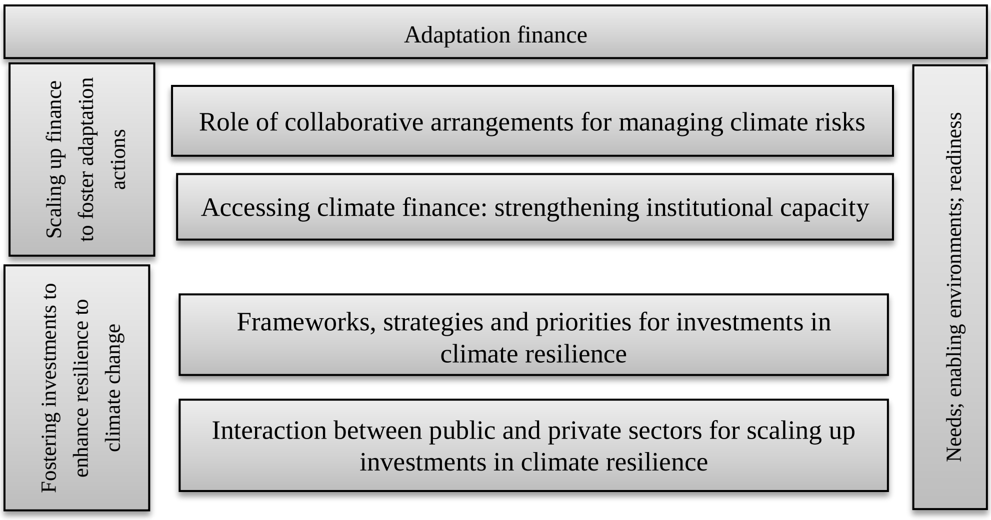
(b) Providing greater clarity on the barriers and opportunities for accessing climate finance, particularly for adaptation;

(c) Identifying concrete actions that can be undertaken (collaboratively) to foster the deployment of adaptation finance in the short term in developing countries.

11. Figure 1 provides an overview of the organization of the substantive discussions with the themes identified for session I and session II of the workshop and the related discussion topics.

[4] <http://unfccc.int/8939.php>.

Figure 1
Substantive organization of the long-term climate finance discussions



12. The format of the discussion included a plenary session where case studies were presented, followed by targeted discussions in breakout groups.

C. Proceedings of the workshop

13. The workshop took place on 4 and 5 June 2015, in conjunction with the forty-second sessions of the subsidiary bodies and the ninth part of the second session of the ADP in Bonn. It was open to all Parties and admitted observer organizations attending the sessions.

14. The workshop was divided into two sessions, with each session lasting three hours. Session I of the workshop was held on 4 June, and focused on scaling up finance to foster adaptation actions in developing countries. Session II of the workshop was held on 5 June, and focused on fostering investments to enhance resilience to climate change.

15. The workshop started with opening remarks delivered by the Executive Secretary, Ms. Christiana Figueres. She highlighted that the overwhelming political consensus on the need for parity between adaptation and mitigation should also be translated into funding parity between adaptation and mitigation on the ground. She then emphasized that to achieve this objective the private sector can and should play an important role in financing adaptation action. As an example, she welcomed the decision of the French insurance group AXA to join the African Risk Capacity initiative, a regional pooling mechanism the mission of which is to help African Union member States better anticipate extreme weather events and protect the food security of vulnerable populations.[5] Building on this example, she invited workshop participants to challenge the perception that adaptation is not attractive for the private sector and to explore options for further investments in adaptation that include private sector resources. Furthermore, she emphasized the role of public finance in catalysing private finance to achieve the scale of financing that is needed for adaptation and mitigation.

16. After the opening remarks from Ms. Figueres, the co-facilitators invited the representatives of the thematic bodies of the Convention to present their inputs to the

[5] The announcement by AXA is available at <http://www.axa.com/en/news/2015/climate_insurance.aspx>.

workshop, in accordance with the request by the COP.[6] Presentations were made by Mr. Klaus Radunsky[7] on behalf of the Adaptation Committee, Mr. Batu Uprety on behalf of the Least Developed Countries Expert Group, Ms. Outi Honkatukia on behalf of the Standing Committee on Finance and Mr. Kunihiko Shimada on behalf of the Technology Executive Committee. All presentations and written inputs by the thematic bodies are available on the dedicated long-term climate finance web page.[8]

17. Several case studies were presented to inform the discussions in each of the two sessions and with regard to each discussion topic. After the presentations of the case studies, participants were gathered into breakout groups for in-depth discussions on the topics identified for the workshop. In order to enable interactive discussions, each discussion group was led by a representative of a Party or of an admitted observer organization serving as a discussion leader. A set of guiding questions (contained in annex II) was prepared by the secretariat and the co-facilitators.

18. The discussion leaders reported back to the plenary session at the end of each session, and concluding remarks were provided by the co-facilitators. The programme of the workshop, the presentation slides and video recordings are also available on the dedicated long-term climate finance web page.

III. Outcomes of the annual in-session workshop on long-term climate finance

A. Scaling up finance to foster adaptation actions in developing countries

19. Session I on scaling up finance to foster adaptation actions in developing countries consisted of two topics for discussion:

(a) Topic 1 referred to the role of collaborative arrangements for managing climate risks. This topic intended to provide an opportunity for discussing ways and means of enhancing investments for managing climate risks building on existing examples of mechanisms and arrangements in developing countries, including insurance schemes against extreme weather events;

(b) Topic 2 related to accessing climate finance: strengthening institutional capacity. This topic discussed issues relating to institutional capacity, enabling environments and readiness activities to access climate finance, particularly in the context of adaptation.

20. One presentation was made on topic 1 by Mr. Isaac Anthony (Caribbean Catastrophe Risk Insurance Facility (CCRIF)).

21. Two presentations were made on topic 2: one by Ms. Mandy Barnett (South African National Biodiversity Institute) and one by Mr. Ubaldo Elizondo (Latin American Development Bank).

22. Breakout group discussions followed the presentations. Two discussion groups were formed for each topic, and each group was assigned a moderator.

23. Mr. Herman Sips (Netherlands) and Ms. Laetitia De Marez (Climate Analytics) moderated the two groups discussing topic 1 on the role of collaborative arrangements for managing climate risks. Mr. Mikko Ollikainen (Adaptation Fund Board secretariat) and Ms.

[6] Decision 5/CP.20, paragraph 14.
[7] Taking the place of Mr. Juan Hoffmaister, who was advertised as speaking. See annex I.
[8] <http://unfccc.int/8939.php>.

Shyla Raghav (Conservation International) moderated the two groups discussing topic 2 on accessing climate finance: strengthening institutional capacity. After the breakout group discussions, the moderators reported, in the plenary session, the results of the breakout group discussions and presented the key issues considered by the groups.

1. The role of collaborative arrangements for managing climate risks

24. Topic 1 focused on the role of collaborative arrangements for managing climate risks. Participants discussed a number of ways in which collaborative elements can act at different levels: benefits of individual schemes, benefits of pooling investors and schemes at different levels, and linking schemes as an opportunity.

25. The benefits of individual schemes mentioned included: the possibility to tailor-make products; the possibility to make quicker payments; the ability to pool risks in order to reduce premiums; the possibility to change the risk profiles of countries; the provision of a tool for data gathering for countries, stakeholders consultations; and enhanced technical assistance. Benefits of pooling investors and schemes at different levels involve the crucial role of donors in providing seed capital and the fact that with time and the involvement of more countries, the facility is able to leverage funding and investments from the private sector.

26. In addition, it was mentioned that linking schemes can offer opportunities for economies of scale through the commingling of the schemes, thus resulting in lower premiums. Linking schemes can also help to better understand the risks. CCRIF and African Risk Capacity, for example, benefit from sharing lessons and experiences in the development of financial instruments. It was also pointed out that there may be value for Pacific Islands in joining CCRIF to achieve further economies of scale and to share common experiences.

27. The discussion in the breakout group considered that collaborative actions could help at different levels, but there is still the necessity to attract investors and contributors. Furthermore, there could be potential for greater diversification of risks through linking climate insurance schemes.

28. The group discussion also raised the issue of the scope of the instrument: should insurance instruments only consider climate risk or also other risks (e.g. CCRIF also considers earthquakes)? There appear to be benefits to both approaches. A narrower range of risks could entail cheaper premiums, but may have lower value payout rates.

29. Planning ahead was deemed important for insurance mechanisms, and to ensure that they incorporate timelines that have incentives. The importance of data collection was raised, and also the fact that it can be a challenge in some regions, but that it is crucial to ensure reliable and transparent indices.

30. The role of public and private sources of finance in fostering climate insurance schemes was also discussed.

31. In insurance, a lesson learned is the importance of donor funding in enabling mechanisms and leveraging the private sector. An opportunity would be to use public funding to de-risk investment and change the risk profiles of countries and insurance mechanisms. Moreover, insurance companies could pool funds and offer lower premiums. This and other key lessons learned are included in figure 2.

32. Case studies mentioned in the discussions included Colombia, in terms of large-scale infrastructure projects; the fact that insurance against natural disasters is compulsory from the start (this legal framework provides enough incentive for private insurance suppliers to invest); and the Climate Technology Initiative Private Financing Advisory

Network, a network that helps match the private sector with countries seeking finance for adaptation based on a mitigation model that was found to be effective.

33. Other issues raised included the necessity of the insurance industry to work collectively on data collection, including on assets at risk, natural hazards and the costs of events, and to build capacity to ensure that this data is used effectively to inform decision makers (e.g., through more detailed risk profiles). Also mentioned were the necessity of adjusting legal frameworks as appropriate, and the necessity of a common language and terminology between the public and the private sector.

34. Regarding the role of the Convention, participants noted that the Standing Committee on Finance could conduct more outreach and address business summits and the business community, in order to enhance awareness of the issues raised at this workshop.

Figure 2
Lessons learned in the role of collaborative arrangements for managing climate risks

Source: Presentation by Mr. Isaac Anthithe from the Caribbean Climate Risk Insurance Facility.
Abbreviation: CDM = clean development mechanism.

2. Accessing climate finance: strengthening institutional capacity

35. Topic 2 focused on the issues relating to institutional capacity, enabling environments and readiness activities to access climate finance, particularly relating to adaptation. The group focused its discussion mostly on direct access and its benefits and challenges. A participant first brought up the issue that pursuing direct access may not necessarily be a long and expensive process, and cited the example of Senegal under the Adaptation Fund (AF). Senegal accredited its national implementation comparatively quickly and has so far spearheaded the direct access modality of the AF. Box 1 presents a list of lessons and insights from the perspective of the South African experience.

36. Another participant indicated that support for direct access, particularly in reference to capacity-building, deals essentially with the same issues as international development, and that lessons from that process could be applied. However, this was challenged by other participants who indicated that despite the long history of international development aid, developing countries still lack capacity. Several participants remarked at this point that direct access allows for organic development of fiduciary and institutional capacities in the entity to be accredited.

37. A question was then raised as to how direct access could be expedited or made simpler for developing countries to take prompt advantage of it. There was a broad understanding that this should not compromise the fiduciary requirements of those funds providing direct access, but rather help national entities to meet the requirements in an effective and appropriate manner, taking into account national circumstances. It was noted

during the consideration of this issue that the Green Climate Fund (GCF) has a ‘fit-for-purpose’ approach that, in principle, should aim to allow for such a scenario.

38. The group also considered the notion that the private sector is not a homogeneous and uniform group of actors. The discussion rather suggested that the private sector has different facets and subsectors, and that national and local private actors should be included in the consideration of access modalities, as well as for the implementation of specific projects and programmes.

Box 1

Clues for scaling up adaptation finance – experiences from South Africa’s national implementing entity to the Adaptation Fund

- Invest in governance structures that can elevate the profile of the work and support long-term sustainability;
- Locate efforts within existing development interventions, mainstream climate change adaptation into ongoing development programmes and unlock co-benefits;
- Invest in bottom-up participatory programming and good processes, recognize local and indigenous knowledge and support local level action;
- Recognize the importance of widening the implementation partnership and support capacity development and ‘readiness’ at all levels;
- Recognize the role that national implementing entities can play in transformative development, especially in bringing new players into the implementation space.

Source: Presentation by Ms. Mandy Barnett from the South African National Biodiversity Institute.

39. The group also raised the issue of capacity needs to effectively make use and take advantage of direct access. Institutional capacity was singled out; however, it was also recognized that entities respond to specific environments and institutional frameworks within a country. Thus, the discussion also considered the need to involve all relevant actors in the country, as well as the need for conducive and supporting legal and regulatory frameworks, or enabling environments in general. This particular issue suggested institutional ‘vertical’ and ‘horizontal’ approaches to capacity-building for access to climate finance.

40. A significant challenge in building capacity and enabling national institutions to meet fiduciary requirements for direct access related to the lack of qualified human resources and the capacity of national institutions to retain those resources so that they are available and trained during and after the accreditation process. Short-term expertise sourced from abroad tends to disappear when the external experts leave. In the Pacific region, a new programme is attempting to ensure the building of local capacity by making the twinning of international and local experts mandatory.

41. Following on from these issues, the group broadly converged on the idea that direct access, and capacity to access climate finance in general, requires a long-term perspective based on the specific needs of the national institution and the country, especially when designing and planning readiness and capacity-building support activities.

42. Some comments referred to the future of the AF, and concerns were raised by some participants that direct access would be more constrained if the AF ceases to be able to fund projects under its direct access modality.

43. Ideas were also shared about the possibility of linking activities or initiatives to enhance or expand access to climate finance, particularly under the direct access modality, with the national adaptation plan process. There was broad agreement that this should be explored further.

44. Readiness was also considered for strengthening institutional capacities for accessing climate finance. Participants noted that enhancing readiness usually takes time and tends to be a long-term process, particularly given the implications for existing institutional arrangements within a country. It was also noted that it is important to harmonize procedures to access climate finance both at the national and the international levels.

45. Several participants noted that many developing countries do not have sufficient technical expertise to implement projects. Among potential solutions to address this issue, participants discussed peer-to-peer support among different stakeholders within the country, which could also take place between developing countries (e.g. South–South cooperation).

46. The discussion also indicated that although local communities have many good ideas for adaptation, they tend to face difficulties in translating such ideas into quality project proposals from a scientific and technical point of view.

47. Experiences in the preparation of intended nationally determined contributions (INDCs) were also considered. Participants highlighted the fact that lack of expertise in several developing countries to set up technical methodologies has hampered efforts in the preparation of the adaptation component in INDCs.

48. Concerning the role and potential of national development banks or other prominent national financial institutions in promoting and fostering enabling environments and readiness, participants mentioned that effective relationships between national development banks and commercial banks can be seen as an important enabling environment.

B. Fostering investments to enhance resilience to climate change

49. The workshop continued on 5 June 2015 with session II, which focused on fostering investments to enhance resilience to climate change. The session started with the opening remarks and a recap of the day 1 discussions by co-facilitators Mr. Fakir and Mr. Drouin.

50. The discussion topics for this session included:

(a) Topic 3 on the policy, legal frameworks, country strategies and priority sectors for investments in climate resilience. This topic intended to provide participants with an opportunity to discuss how climate risks and vulnerabilities could be understood and quantified, approaches for integrating climate resilience into development plans and national strategies, and the challenges, risks and barriers for increased investments in climate resilience;

(b) Topic 4 focused on the interaction between public and private sectors for scaling up funding and investments in climate resilience. It provided participants with an opportunity to discuss key issues in enhancing the leverage of private finance by public funding, and to consider how adaptation can enhance its potential as an investment opportunity for public and private investors.

51. After the opening remarks and recap of day 1, the plenary session started with presentations by Mr. Xavier Chavana (Mozambique – Experience of Pilot Program for Climate Resilience) and Mr. Rafael Marchesini (Brazilian Development Bank) on topic 3. The plenary session then turned to topic 4, with presentations by Mr. Syed Ahmad (Green Technology Fund, Malaysia) and Mr. Rodrigo Violic (BICE, a Chilean private bank).

52. Participants were then invited to form four breakout groups following the same format as that of the previous day. Ms. Athena Ronquillo-Ballesteros (World Resource Institute) and Mr. Mirko Ivo Serkovic Werner (Peru) moderated the discussions on topic 3. Mr. David Kaluba (Zambia) and Ms. Kate Dowen (United Kingdom of Great Britain and Northern Ireland) moderated the discussions on topic 4. After the breakout group discussions, these moderators were invited to communicate to the plenary session the key issues highlighted in the group discussions.

1. Policy, legal frameworks, country strategies and priority sectors for investments in climate resilience

53. Discussions on topic 3 considered policies, frameworks and priorities for financing climate-resilient development from a long-term perspective, including how such policies, frameworks and priorities can be integrated into broader policy and budgetary planning. These discussions also looked into approaches for an expanded and increased involvement of the private sector as an investor in actions that can enhance resilience in various sectors, such as infrastructure and agriculture.

54. The presentations on this topic highlighted the need for long-term perspectives on investments and policy development and implementation. In this sense, the institutional setting within the country should be aligned with the policy objectives and be supportive of national climate change frameworks, and national mitigation and adaptation plans. National policies, appropriately complemented by international support, should target specific barriers. Furthermore, the importance of the development of the institutional capacity of national banks and local institutions for project implementation was highlighted, along with the necessity to coordinate with stakeholders while designing policies, regulations and frameworks. The needs for good governance and transparency were also strongly emphasized.

55. During the group discussion, participants also questioned which ministry would be best placed to lead these processes. Several participants indicated that normally it would be the climate change focal point in the environmental ministry, but it was also recognized that the ministries of finance and development planning need to be involved.

56. In discussing the role of different ministries and government involvement, discussions pointed to the issue of vertical integration, when a strong and ambitious legal framework is capable of integrating climate risks across the different ministries.

57. With regard to country experiences, the case of Uganda was mentioned, where an ongoing effort attempts to move away from traditional environmental impact assessments to strategic environmental assessments to account for the different integration of ecosystems. South Africa's case was also mentioned in the context of long-term adaptation scenarios that impact long-term development goals.

58. Information and data sets were also highlighted as being extremely important in order to drive and inform long-term planning of climate change frameworks. An important challenge in this regard is the dynamic nature of these processes and the need to regularly inform national frameworks and policies on data generated from the field.

59. The discussions also considered the different roles of governments. Several participants concurred with the idea that the fundamental role of a government is setting

policies and standards that encourage appropriate understanding and measuring of climate risks, and that promote the participation of the private sector.

60. However, other participants pointed out that, in some cases, the effectiveness of a legal framework could be undermined if knowledge on the impact of climate change is limited. Discussions in this regard indicated that there is a need to organize national dialogues to mainstream climate change into development policies.

Box 2

Lessons learned from the experience of Mozambique on policy, legal frameworks and country strategies and priority sectors for investments in climate resilience

- Legislation and regulation remain a good incentive for action but this alone is not enough (lack of commitment, standards or targets to foster accountability);
- National development plans, strategies and sector policies are excellent entry points for the successful implementation of climate resilience objectives (clear goals, standards and targets);
- Combining investment projects and policy and institutional reforms is a powerful strategy to promote sustainable and resilient development across sectors and at all levels;
- Cross-sector and institutional coordination plays an essential role in ensuring adequate leveraging and scale up around strategic investments and delivery against expected results and outcomes;
- Investments in climate resilience should be based on evidence and targeted at promoting transformational change in the most vulnerable sectors.

Source: Presentation by Mr. Xavier Agostinho Chavana from the Ministry of Economy and Finance, Mozambique.

61. Other participants suggested that national climate change plans and agenda should ideally be driven by high-level steering committees within countries. Others mentioned that scientific bodies with geodata should eventually be integrated into such committees and the finance ministry, in order to facilitate climate risk analysis and planning. In this context, other participants indicated that the agriculture ministry can take the lead in assessing climate risks at the national level (e.g. reduction in agricultural output), but it is important to also involve the ministry of finance eventually.

62. The issue of harmonization of policies, plans and strategies at the national level was also raised. Furthermore, participants emphasized the need for coherence and alignment across sectoral and thematic policies at the national and subnational levels.

63. With regard to uncertainties in key variables, such as population and economic growth, some participants highlighted the need for flexibility and continuous feedback through strong monitoring systems. Box 2 contains some key lessons learned from the experience of Mozambique.

2. Interaction between public and private sectors for scaling up funding and investments in climate resilience

64. Discussions on topic 4 considered issues relating to the interaction between public and private sources for enhanced funding and investments in climate resilience.

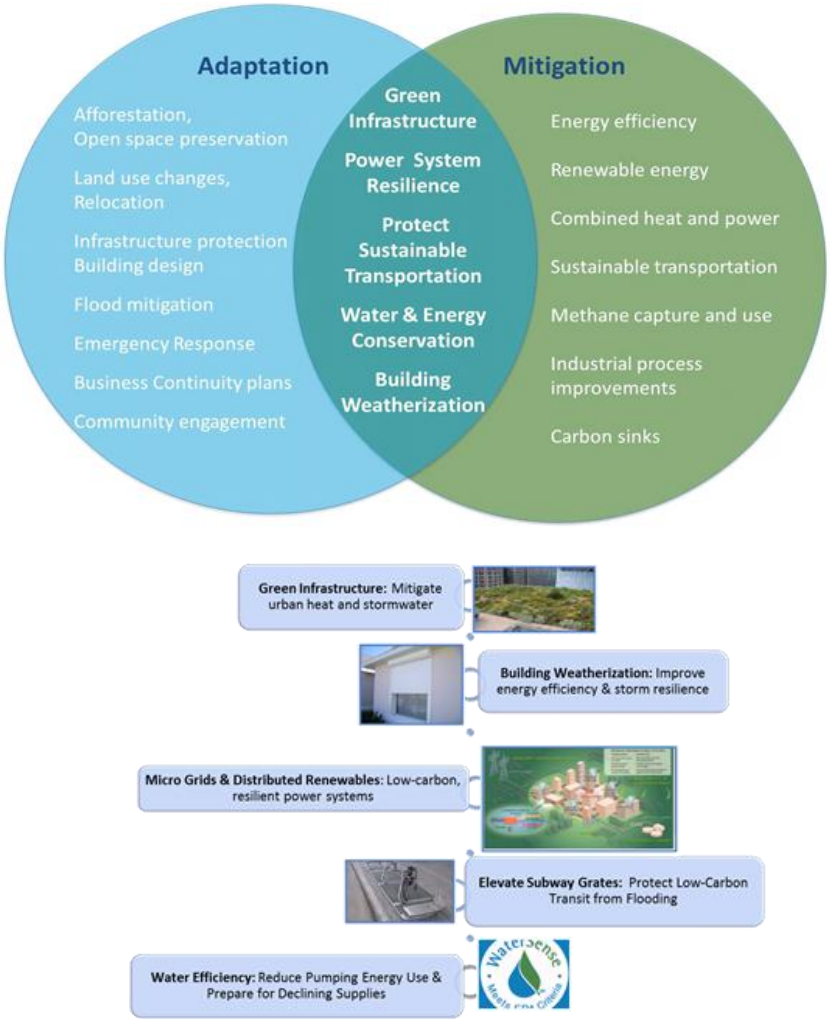
65. It was noted that scaling up the complementarity between public and private finance for adaptation and climate resilience remains a key challenge to driving more investments. Participants also noted the need for clear and specific business cases to encourage private investments in adaptation.

66. Participants also discussed the types of investments that can be undertaken with regard to adaptation and climate resilience; climate information, insurance schemes and water and agriculture were especially highlighted in this context.

67. Regarding the needs of the private sector, participants noted the roles of governments in providing policy incentives and signals to encourage private sector investment. Private investors pursue risk-adjusted returns; therefore, governments can help by establishing risk management mechanisms and by removing market distortions. Public investment in research and development was also mentioned as another area to enable private investments.

68. The opportunities to attract private sector investments in adaptation projects and programmes were also addressed, with key messages pointing to the need for bankable pipelines of adaptation projects and an adequate balance between risk and reward. Figure 3 provides the overview of such opportunities discussed during the presentation made by Mr. Violic.

Figure 3
Investment opportunities for the private sector



Source: Presentation by Mr. Rodrigo Violic from BICE, a Chilean private bank.

69. Discussions also highlighted the need for transparent, stable and predictable regulatory and legal frameworks to enable and incentivize private sector investment.

70. Participants recognized the need for information on the scope and nature of the policy frameworks currently in place. Some participants mentioned that some small- and medium-sized private enterprises in developing countries lack such information as well as other information related to funding opportunities from national and international sources.

71. The nature of the private sector was also contextualized by several participants, who indicated that the private sector included large multinational companies, as well as local owners of small farms and the national private sector. Other participants remarked that local and national private investors should be prioritized for climate finance, for example, by the Private Sector Facility of the GCF.

72. With regard to financial instruments, participants considered a wide spectrum that included grants, guarantees and concessional loans for leveraging private sector investments into adaptation. It was also remarked that, in some cases in adaptation, it is

unlikely that private sector investors will be interested in becoming involved, and thus public finance plays an even more fundamental role in such situations. The role of multilateral financing was also highlighted as an enabler in such circumstances, and as a complement to national public finance.

73. Some participants indicated that some private investors mostly adopt a short-term perspective, which conflicts with the long-term nature of adaptation interventions. Potential solutions for this discrepancy could consist of more research and data gathering to better understand the long-term risks and their interrelationships with short-term scenarios.

IV. General reflections

74. The in-session workshop on long-term finance in 2015 provided an opportunity for Parties and other stakeholders to start a discussion on matters cutting across the issues of adaptation finance, needs for support to developing country Parties and cooperation on enhanced enabling environments and support for readiness activities. This will serve as a good basis for a follow-up discussion in 2016.

75. Several participants expressed their satisfaction with the technical level of the discussions, and with the possibility for them to engage in open and constructive discussions in a relaxed and friendly atmosphere. The following suggestions were proposed:

(a) Discussions at the 2016 in-session workshop could elaborate further on elements from lessons learned, examples and case studies that could be broadly replicated and useful for mobilizing and deploying adaptation finance, determining needs for support to developing country Parties and cooperation on enhanced enabling environments and support for readiness activities;

(b) Participants from least developed countries and small island developing States emphasized the need to also take into account their special circumstances when elaborating on lessons learned and case studies and how they could be applied in those cases;

(c) Approaches could be considered that will ensure synergy, coherence and complementarity with other processes under the Convention such as workstream 2 of the ADP, the forum of the Standing Committee on Finance and the annual adaptation forum of the Adaptation Committee;

(d) Several participants suggested that similar discussions could take place more frequently in conjunction with meetings of relevant bodies under the Convention. Furthermore, suggestions were made with regard to enhancing the visibility, access and availability of the case studies and information presented through the use of online tools and virtual expositions.

Annex I

[English only]

Programme of the in-session workshop on long-term climate finance in 2015

Day I: 4 June 2015, Thursday (3 p.m. to 6 p.m.)
Room AAH UG 02 (UN Campus)

3–3.05 p.m.	***Remarks by Ms. Christiana Figueres, Executive Secretary, UNFCCC***
3.05–3.10 p.m.	***Opening and introduction by co-facilitators*** • Mr. Zaheer Fakir, South Africa • Mr. Dany Drouin, Canada
3.10–6 p.m.	***Session I: Scaling up finance to foster adaptation actions in developing countries***
3.10–3.30 p.m.	***Presentation by the thematic bodies of the UNFCCC*** • Mr. Juan Hoffmaister, Co-chair of the Adaptation Committee • Mr. Batu Uprety, Chair of the Least Developed Countries Expert Group • Ms. Outi Honkatukia, Co-chair of the Standing Committee on Finance • Mr. Kunihiko Shimada, Chair of the Technology Executive Committee
3.30–4.10 p.m.	***Plenary session:*** **Topic 1: The role of collaborative arrangements for managing climate risks** *Objective:* This topic is intended to provide an opportunity for discussing ways and means for enhancing investments for managing climate risks, building on existing examples of mechanisms and arrangements in developing countries, including insurance schemes against extreme weather events. *Presentation by:* **Mr. Isaac Anthony** (Caribbean Catastrophe Risk Insurance Facility – CCRIF) **Topic 2: Accessing climate finance: strengthening institutional capacity** *Objective:* This topic concerns issues relating to institutional capacity, enabling environments and readiness to access climate finance, in particular adaptation actions. *Presentations by:* **Ms. Mandy Barnett** (South African National Biodiversity Institute – SANBI) **Mr. Ubaldo Elizondo** (Latin American Development Bank – CAF) Questions and answers
4.10–5.30 p.m.	***Discussion in breakout groups*** **Topic 1: The role of collaborative arrangements for managing climate risks** *Moderators:* **Mr. Herman Sips** (Netherlands) **Ms. Laetitia De Marez** (Climate Analytics) *Guiding questions:* • What are the opportunities and challenges for managing climate risks and climate-related catastrophe insurance mechanisms? • What role can public and private sources of finance and actors play in fostering climate finance for enhanced

	adaptation actions in developing countries? **Topic 2: Accessing climate finance: strengthening institutional capacity** *Moderators:* **Mr. Mikko Ollikainen** (Adaptation Fund Board Secretariat) **Ms. Shyla Raghav** (Conservation International) *Guiding questions:* • What experiences can be highlighted that enhance developing countries' capacities to benefit from existing climate finance mechanisms? • What is the role and potential of national development banks or other prominent national financial institutions in promoting and fostering enabling environments and readiness?
5.30–6 p.m.	***Plenary session: Consideration of outcomes of discussions and preliminary conclusions by each group***

Day II: 5 June 2015, Friday (15:00 to 18:00)
Room AAH UG 02 (UN Campus)

3–3.15 p.m.	***Opening and recap of day 1 by co-facilitators*** • Mr. Zaheer Fakir, South Africa • Mr. Dany Drouin, Canada
3.15–5.45 p.m.	***Session II : Fostering investments to enhance resilience to climate change***
3.15–4 p.m.	***Plenary session:*** **Topic 3: Policy, legal frameworks, country strategies and priority sectors for investments in climate resilience** *Objective/issues:* • How can climate risks and vulnerabilities be understood and quantified? • Consideration of how countries may integrate climate resilience into development plans and national strategies • Discussion on challenges, risks and barriers for increased investments in climate resilience *Presentations by:* **Mr. Xavier Chavana** (Mozambique – experience of Pilot Program for Climate Resilience – PPCR) **Mr. Rafael Marchesini** (Brazilian Development Bank) **Topic 4: Interaction between public and private sectors for scaling-up funding and investments in climate resilience** *Objective:* • Discuss key issues in enhancing the leverage of private finance by public funding • Consider how adaptation can enhance its potential as an investment opportunity for public and private investors *Presentations by:* **Mr. Syed Ahmad** (Green Technology Fund – Malaysia) **Mr. Rodrigo Violic** (BICE – Chilean private bank) Questions and answers

4–5.15 p.m.	***Discussion in breakout groups*** **Topic 3: Policy, legal frameworks and country strategies and priority sectors for investments in climate resilience** *Moderators:* **Ms. Athena Ronquillo-Ballesteros** (World Resource Institute) **Mr. Mirko Ivo Serkovic Werner** (Peru) *Guiding questions/issues:* • What policy, legal and institutional frameworks may foster developing countries' capacity to manage climate-related risks and challenges in their national development agendas? • How could countries' development strategies and plans be better placed for determining and addressing the needs for support for adaptation (quantitative and/or qualitative)? **Topic 4: Interaction between public and private sources for enhanced funding and investments in climate resilience** *Moderators:* **Mr. David Kaluba** (Zambia) **Ms. Kate Dowen** (United Kingdom of Great Britain and Northern Ireland) *Guiding questions/issues:* • What are the needs of the private sector for an enhanced participation in adaptation and climate-resilient investments? • What key elements in policies, legal frameworks and institutional networks can be identified for enhanced public–private partnerships for adaptation and climate-resilience?
5.15–5.45 p.m.	***Plenary session: Consideration of outcomes of discussions and preliminary conclusions by each group***
5.45–6 p.m.	***Wrap-up and closure: Summary of key conclusions and recommendations***

Annex II

[English only]

Questions to guide the breakout group discussions at the in-session workshop on long-term climate finance in 2015

Topic 1:

- What are the opportunities and challenges for managing climate risks and climate-related catastrophe insurance mechanisms?
- What role can public and private sources of finance and actors play in fostering climate finance for enhanced adaptation actions in developing countries?

Topic 2:

- What experiences can be highlighted that enhance developing countries' capacities to benefit from existing climate finance mechanisms?
- What is the role and potential of national development banks or other prominent national financial institutions in promoting and fostering enabling environments and readiness?

Topic 3:

- What policy, legal and institutional frameworks may foster developing countries' capacity to manage climate-related risks and challenges in their national development agendas?
- How could countries' development strategies and plans be better placed for determining and addressing the needs for support for adaptation (quantitative and/or qualitative)?

Topic 4:

- What are the needs of the private sector for an enhanced participation in adaptation and climate-resilient investments?
- What key elements in policies, legal frameworks and institutional networks can be identified for enhanced public–private partnerships for adaptation and climate-resilience?