

Climate Effectiveness within the Context of the 2015 Agreement

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My Definitions - Climate Finance

- All funds, public and Private spent on activities and investments that generates GHG (**Brown – Green Spectrum**);
- All Funds, public and Private, that allows countries to adapt to Climate change, this includes resilience reduction, and loss and Damage.
- All fiscal policies – taxes, subsidies, - national and International financial Enabling environment that impacts on the two above.
- Within this broad categories the spending matrix for each country is very different and the detail definition in most cases should be sector specific and country driven.
- Exceptionally the UNFCCC could attempt to define Climate Finance in the sectors with the top 3(?) Mitigation and adaptation potential. (this is the way the banks and the private sector approaches Investments);
- The main purpose of definition is to establish comparable targets and MRV in Finance.

Climate Finance – in support of the 2015 Agreement

- What would be the finance agreement for the 2015 agreement?
- Legally Binding Commitments of National package of financial measures that established clear targets both mitigation and adaptation Financing (similar to that being developed by Mexico); This is to be adopted by all countries to avoid competitiveness and leakage;
- The Financial package should be designed to collectively meet a science based target;
- The GCF and GEF should be restructured to facilitate the implementation of these targets within Developing countries;

Climate Effectiveness - Mobilization

- A legally binding finance package is needed to mobilize Private Finance;
- Is needed to facilitate technology Development and transfer (the Pull Factor);
- For long term finance we need get the Institutional investors on board;
- Needed for the establishment of national enabling environments in both develop and developing countries;
- Will allow for consistency between other international agreements (Montreal Protocol, CBD and WTO for example)

Summary

- Climate Finance effectiveness is what channels finance towards economic activities and consumption patterns that most effectively get us on a Below two degree pathway.