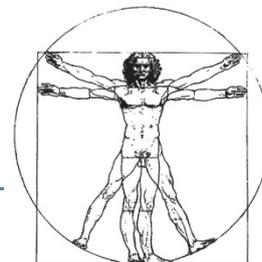


# ecbi Financial Circle



## *Report by the facilitator and a request for your views*

Doha, Qatar, 4 December 2012

### **Proceedings**

A meeting of the Finance Circle was scheduled for Tuesday, December 4, 2012, during the second week of COP 18 at Doha. Unfortunately, as is always bound to happen during busy times of the COP, an unscheduled finance contact group meeting was convened just prior to the FC meeting. Apologies were conveyed by many of the members and their absence was fully understandable. Some asked whether the meeting could be re-scheduled. But unfortunately, for several reasons, this was not possible.

Notwithstanding, a number of members, including the current and Chair designate of the LDC Group, did attend but requested that the meeting be shortened so that they could return to the negotiations. Given the circumstances, it was agreed that during the shortened time available, it would be useful to briefly take stock and discuss how the FC could continue to serve as a useful platform for the negotiators, particularly at this stage when the negotiations on finance have increased in complexity, crucial importance and presence throughout several bodies of the UNFCCC. Following were some of the highlights of that discussion:

#### ***A. On the timing and substance of the Meetings:***

1. There was a strong recommendation to hold the meeting (s) of the FC always during the first week of the COP and SB sessions. This would lessen the likelihood conflicts of timing with urgent and un-programmed negotiation sessions that are more likely to come up during the second week of negotiations.
2. It was mentioned that members of the FC generally found the meetings dedicated to particular subjects and themes of interest to negotiators extremely useful. Dedicated meetings of this type have been done in the context of the AF, the TC, and the GCF and will again do for the GCF and SC in the March session in Berlin. Some members suggested that these meetings could take place both during and/or outside of normal COP and SB session.

#### ***B. On the Format and Approach of the FC:***

The method and approach used by the FC to date have proven to be very useful. It was agreed that having a neutral platform where negotiators could meet under Chatham House Ruled to informally discuss their positions in closed sessions has provided great value-added and should be continued. It has been very much appreciated by the negotiators. The discussions that have been held in the past and particularly on some difficult negotiation have been helpful and no doubt have contributed to coming to certain key agreements under the UNFCCC. Some examples include: the suggestion to set up a Standing Committee was first discussed at the 2010 ecbi Fellowship Colloquium and Oxford Seminar; the suggestion to set up a Transitional Committee was also put forward in an ecbi Policy Brief, and later

developed by the ecbi Finance Circle; and finally, the Finance Circle led a number of discussions that contributed to the decisions on enhanced direct access. In 2010, the Finance Circle also launched the Finance Circle Library on which we received a very positive feedback from negotiators.

The question was raised whether it would be useful to dedicate some sessions to specific issues such as innovative finance mechanisms and other more technical issues. In these discussions, outside experts could be invited to make presentations to the group. In the meeting on 4 December, the Bangladesh Governor of the Central Bank was invited and spoke briefly about the various mechanisms and instruments that are being used in Bangladesh to successfully mobilize and leverage financial resources for climate change – both domestic as well as international. Bangladesh has also been a pioneer in establishing a national funding entity/institution to mobilize, tap, and manage resources at the national level to ensure that climate change activities are mainstreamed into national development priorities, strategies and plans. The issue of national institutions could itself be a subject for a dedicated discussion as issues of local governance are becoming more and more important in the finance negotiations. But there are many others. The utility of these meetings would be to have a chance to go into more depth on issues that are critical to the future of the GCF and climate finance in general. They could also provide a forum to bring up suggestions on new ideas that are not necessarily easy to bring into the negotiations without some previous discussion and generation of interest.

***C. Your views are important:***

It is evident that the negotiations on finance are getting more and more critical. And it is also evident that in a large number of issues being negotiated under the UNFCCC, the issue of finance is either at the center or is one of the most critical factors. This makes finance one of the “make” or “break” issues of the UNFCCC. The complexity of the negotiations on finance has also increased as is its presence throughout the deliberations of many of the bodies, working groups and subjects. Having a neutral and informal setting to discuss these linkages outside the negotiations would no doubt be of great value.

It would be important to hear from as many of you as possible. We would like to ensure that we are providing value added to your very difficult and challenging job. These next two or three years are going to be crucial to the negotiations and finance is going to continue to be central. We hope that we can contribute, even in a small way.

I invite all of you to provide us your comments and suggestions – and ideas. And it would be great if I could hear from you. We will provide a simple web-based form to make it easier to all of you to provide your feedback. But you are welcome to give us your feedback in any way convenient to you. The important thing is to get your feedback. We have recently redesigned the ecbi web/platform. We invite all of you to visit it at <http://www.eurocapacity.org/finance/financehome.shtml> . We would love to have some feedback.

Luis Gomez-Echeverri

January 24, 2013