ecbi Annual Report

2015-2016

ecbi

European Capacity Building Initiative

www.eurocapacity.org

TABLE OF CONTENTS

Cover picture: Chapel in Trinity College, Oxford, one of the venues for the 2015 Fellowship and Seminar.

MESSAGE FROM THE DIRECTOR

Benito Müller

Managing Director, Oxford Climate Policy

Last year was, by any account, an extraordinary year in the fight against climate change – not only at the international level with the Paris Agreement, but also for the ecbi.

First and foremost, support from the German International Climate Initiative (IKI) has revived our Training and Support Programme (T&SP). Managed by Achala Abeysinghe and her team at the International Institute for Environment and Development (IIED), T&SP held its first pre-COP training workshop for junior LDC negotiators in Paris. We are very much looking forward to the future pre-COP and regional training workshops and support activities by the T&SP in Phase IV (2015-2020) of the ecbi.

We were also extremely proud about the fact that in the run-up to Paris, Achala was listed as one of the top 15 female climate champions by CNN, together with Christiana Figueres and Laurence Tubiana, and subsequently featured in a special edition on *Vogue* as a "climate warrior".

Our Publications and Policy Analysis Unit, headed by Anju Sharma, has also delivered a number of important policy papers and analyses. Anju, who is also our lead analyst on in-country Enhanced Direct Access (EDA), presented a set of last year's publications, *Consolidation and devolution of national climate finance: The case of India* and *Engaging Micro, Small, and Medium Enterprises in developing countries: Enhanced Direct Access and the GCF Private Sector Facility*, at a Fellowship Programme Ad hoc Seminar consultation with senior Indian policy-makers in New Delhi, to encourage a national understanding of EDA.

In addition to this, and apart from the annual Bonn Seminar and Oxford Fellowship and Seminar, the Fellowship Programme also organised a couple of Ad hoc Seminars co-hosted by the Chair of the Adaptation Fund Board and the co-chairs of the Standing Committee on Finance to facilitate a discussion between the members of these two bodies on the role of the Adaptation Fund in the new climate regime.

In August 2014, during the tenth anniversary ecbi Oxford Fellowships and Seminar, a number of senior developing country negotiators developed an idea regarding a periodic process for enhancing the ambition of contributions under the Paris Agreement. They published the idea as "A Dynamic Contribution Cycle" (DCC), with Xolisa Ngwadla (South Africa) and Jose Miguez (Brazil) as lead authors. On 6 November the same year, the DCC idea was submitted to the UN Framework Convention on Climate Change (UNFCCC) as part of the *Views of Brazil on the Elements of the New Agreement under the Convention applicable to All Parties*.

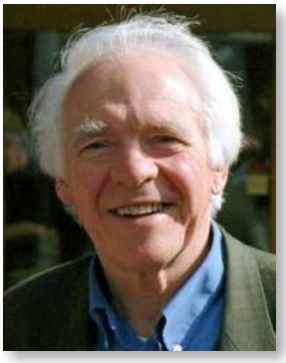
The DCC idea proved to be a key influence on what might be called the "Contribution Framework" of the Paris Outcome.[1] An OCP/ecbi Discussion Note entitled *A Dynamic Ambition Mechanism for the Paris Agreement*, published in March 2016, analyses this Contribution Framework with respect to key ambition features of the DCC proposal, and recommends that the "ratcheting-up" potential of the Contribution Framework be enhanced by harmonising the two tracks. In practice, this could be achieved by simply requesting all Parties in 2025 to communicate a 2035 NDC and update their 2030 NDC, and to do so every five years thereafter.

Last, but not least, we have also been instrumental in facilitating the ground-breaking announcement of Quebec, made in Paris, to put CAD 6 million in the Least Developed Country Fund (Managed by the Global Environment Facility, GEF). The idea behind the Quebec announcement was first published in a May 2015 OCP/ecbi Think Piece *The Paris Predictability Problem: What to do about Climate Finance for the 2020 Climate Agreement?*, followed in June by a Climate Strategies Policy Brief on *Finance for the Paris Climate Compact: The role of earmarked (sub-) national contributions*. After discussions with the Quebec delegation in Bonn during the June intersessionals, we were introduced by the office of the UNFCCC Executive Secretary, Christiana Figueres, to the office of Premier Couillard of Quebec, and we were subsequently facilitating the idea through our support and introductions, among others, to the Chief Executive Officer of the Global Environment Facility.

As I said, this has been an extraordinary year, which has given us renewed assurance that what we are doing is helpful in supporting the international regime to fight the real and present threat of global climate change. This is why I would like to take this opportunity to thank all our funding partners – the Swedish International Development Cooperation Agency (Sida) for long-term support, without which all this would not be possible, and IKI and GIZ.

1 See also *'Maillot Jaune' for the Dynamic Contribution Cycle*.

MESSAGE FROM THE ADVISORY COMMITTEE CO-CHAIRS



Bo Kjellén

Senior Research Fellow, Stockholm Environment Institute and former Chief Negotiator, Swedish Ministry of Environment

Pa Ousman Jarju

Minister of Environment, Climate Change, Forestry, Water and Wildlife and Special Envoy on Climate Change, Republic of The Gambia

The proof of the strength of an idea is the capacity to adapt to changing circumstances. The ecbi started at a time when the Kyoto Protocol finally entered into force. The Bali Action Plan was still to come; and then the Copenhagen summit in 2009 did not agree on a second commitment period of the Kyoto Protocol, and was initially considered a failure. However, the Copenhagen Accord contained elements which skillful diplomacy turned into a constructive process, ultimately leading to the Paris Agreement.

Through this entire period of difficult negotiations, the ecbi was there to assist the process, establishing constructive contacts with all Parties, suggesting new ideas, facilitating dialogues, and helping negotiators to find constructive solutions. This Annual Report shows the efficiency of the action of ecbi.

Its roots, as indicated by its name European Capacity Building Initiative, was the perceived need to provide capacity-building for negotiators from developing countries. Seminars for young negotiators are still an important part of ecbi activities, deepening the knowledge of the negotiators on substance and procedure, and strengthening the hand of developing country delegations on critical issues. But from the beginning there were also other ambitions, focusing on trust-building between high-level negotiators from Europe and G77.

The annual Bonn Seminar and the Oxford Fellowships and Seminar have offered regular opportunities for informal discussions under Chatham House rules. These fora offer frank and open discussions that foster mutual trust and understanding leading to closer agreement on key positions that divide Europe and G77. Over the years, these meetings have been supplemented by a large number of meetings on central themes in the negotiations, ranging from finance to adaptation, from air travel to regional issues. The informal working methods have given maximum space for key negotiators to establish and maintain good personal relations. The many ecbi information notes and policy briefs have had an important impact on negotiating positions.

The importance of the Initiative's support to key climate bodies such as the Adaptation Fund Board, Standing Committee on Finance, and Green Climate Fund cannot be overemphasized – it has resulted in critical

outcomes for developing countries, such as “enhanced direct access” and “enhanced direct sourcing” of climate finance, as explained in this report.

The North-South divide has not only been due to a lack of trust, but also on lack of knowledge on the national enabling conditions behind the instructions of negotiators. With the post-Copenhagen erosion of the North/South “firewall” and the adoption of the “Nationally Determined Contributions” or NDC structure in the Paris Agreement the ideas and tools of the ecbi have become all the more relevant as focus turns on follow-up and monitoring of national policies. A sterling example is the recent publication of the discussion note “A Dynamic Ambition Mechanism”. It is also a good example of the capacity of ecbi to adapt quickly to changing circumstances.

ECBI ACTIVITIES

Fellowship Programme

The Fellowship Programme organised six events during the year: the Bonn Seminar; the Oxford Fellowships and Seminar; an ad hoc Seminar for the Adaptation Fund; an ad hoc seminar on Enhanced Direct Access; an ad hoc seminar for the Standing Committee on Finance (SCF) Caucus; and a consultation on devolution of climate finance in India.

2015 Bonn Seminar

The 2015 ecbi Bonn Seminar, marking the tenth anniversary of the Initiative, took place on 7 June in the Altes Rathaus, Bonn. It was attended by over 25 negotiators and participants from developing countries and Europe. Participants discussed the minimum requirements for the 2015 Paris Climate Conference to be considered a success; county contributions with regard to sequencing, reviews and assessments; and the Paris finance package.

Minimum requirements for a Paris agreement

Achala Abeysinghe, International Institute of Environment and Development (IIED), and Linda Siegele, an academic working with delegation from the Alliance of Small Island States (AOSIS), made presentations on this agenda item.

Abeysinghe listed three pillars for the agreement: legal nature; participation of all parties; and the scope and effectiveness of the agreement.

On legal nature of the agreement, she noted that this should include not only the form the agreement takes, but also how it incorporates compliance. She said while elements such as Intended Nationally Determined Contributions (INDCs) and compliance arrangements would have to be at the core of the agreement, elements such as the action needed for the transition between 2015 and 2020 could go in accompanying decisions.

On participation, she noted the need for a uniform legal form, with differentiation to make countries comfortable coming on board.

On the scope and effectiveness of the agreement, she listed six essential elements: long term goal and a pathway; cycles of commitment; a process to ensure transparency and accountability; review process; adaptation and loss and damage; means of implementation.

Siegele listed mitigation, adaptation, loss and damage, and "everything else" as essential elements for the Paris agreement. She said mitigation should form part of the core, with the long-term goal of keeping global temperatures below 1.5°C translated into tangible emissions pathways; legally-binding mitigation commitments for all based on quantified or quantifiable, time-bound INDCs; a process to regularly assess aggregate ambition in light of the long term goal; and no backsliding.

On adaptation, Siegele called for the inclusion of elements relating to financing and means of implementation for adaptation; measurement, reporting and verification (MRV) of delivery of support; and strengthened institutional arrangements.

She also called for recognition of the limits of adaptation, and institutional arrangements anchored in the new agreement to consider, explore, understand impacts, and develop an international approach for dealing with loss and damage, along with a process for consideration of approaches for addressing irreversible damage.

In the "everything else" category, Siegele listed technology development and transfer; capacity building; transparency of action and support; and pre-2020 ambition.

In the discussion that followed, participants discussed, *inter alia*, which elements should be included in INDCs; how to build in top-down elements into the new agreement over time; whether finance commitments should be legally binding; the need for an enduring agreement, reflecting a longer-term view beyond just the first commitment period, and based on differentiation; the inclusion of a common understanding that adaptation is a global responsibility linked to the global temperature goal; and the inclusion of binding commitments for adaptation.

Contributions: Sequencing, reviews and assessments

On sequencing of national contributions, Müller, along with Jose Miguez and Xolisa Ngwadla, presented a jointly-authored paper proposing a "Dynamic Contribution Cycle" (DCC), consisting of overlapping five-year contribution cycles, each cycle consisting of with three phases (ex-ante assessments of a country's intended contribution; national analyses followed by the inscription of contributions; and ex-post reviews).

In the discussion that followed, participants discussed, *inter alia*, the effectiveness of ex-ante reviews in making countries ramp up ambition; whether such reviews should be done in aggregate, or individually for each country; the political difficulties of getting such a proposal accepted by the US; the role of civil society in assessing individual country performances; concern that the cycle will become a way of assessing fairness and equity; and the inclusion of financial and adaptation contributions in such a cycle.

The Paris finance package

Introducing the topic, Müller said that while it is important for the Paris agreement to include a significant finance package, this could no longer be a new fund or figure like the US$100 billion annually promised at Copenhagen, as these options had already been used up previously. Instead, he said, the existing negotiating text indicates that "new, enhanced, additional and predictable" finance was a key concern for developing countries. He pointed to a number of potential "innovative sources" based on the international earmarking of revenue sources to ensure predictability, including for instance levies on emissions trading, and on air travel.

Müller said some of these automatic sources could also operate at the sub-national level. He described his proposal to ask sub-national governments in the US and Canada to establish a "Development Gold Standard" by earmarking a portion of their emissions trading revenues for the Least Developed Country Fund, as a token of their solidarity with the poorest and most vulnerable countries. He concluded by emphasizing the need for Paris to enhance predictability through increasing degrees of automaticity, and encourage all levels of public sector support.

In the discussion that followed, participants discussed the scope for improving the transparency and predictability of the US$100 billion pledge; developing innovative sources in the context of trust building and providing contributing countries with options; the application of the common but differentiated responsibilities principle to innovative sources; prioritizing the needs of the most vulnerable; and the trend of offering loans instead of grants for adaptation.

Müller informed participants of an ecbi initiative to facilitate discussions between the Adaptation Fund, the SCF, and the Green Climate Fund, to discuss the future role of the Adaptation Fund. He said that the Adaptation Fund could sign a Memorandum of Understanding with the GCF, and also apply for accreditation, to become a specialized adaptation window for the GCF. He noted that there could be something to be gained by plurality, as long as the two Funds don't duplicate efforts.

A more detailed report of the Bonn Seminar is available here.

2015 Oxford Fellowship and Seminar

The eleventh ecbi Oxford Seminar took place on 10 & 11 September 2015 at Trinity College and the Examination Schools in Oxford. A three-day Fellowship Colloquium at Merton College preceded the Seminar, from 7-9 September, attended by 14 Fellows (senior negotiators from developing countries). Two additional Fellows and 11 senior negotiators from Europe joined the 14 Fellows during the Oxford Seminar.

All the participants celebrated the launch of the Enhanced Direct Access (EDA) pilot by the Green Climate Fund (GCF) Board at a dinner on 10 September, where Ambassador Bo Kjellén, ecbi Advisory Committee member, read out a statement by Ambassador Jan Cedergren, GCF Board Member from Sweden. EDA is a new funding modality under the GCF, focusing on promoting national and sub-national decision-making. ecbi played a key role in developing this new modality, and with Swedish Ambassador Jan Cedergren, in the adoption of the EDA pilot by the GCF Board.

On the first day of the Seminar, in Trinity College, participants addressed legal issues and process; adaptation, and loss and damage; and mitigation and transparency of action.

On the second day, in the Examination Schools, they discussed climate finance; time frames and cycles; and the process/ way forward to the 21st Conference of Parties to the UN Framework Convention on Climate Change (UNFCCC) in Paris, from 30 November to 11 December 2015.

Legal Issues and Process

Achala Abeysinghe, Head of the ecbi Training and Support Unit and Principal Researcher, International Institute of Environment and Development (IIED), presented key questions identified by the Fellows during their discussion at the colloquium on legal issues, and the process related to the Paris Agreement.

Abeysinghe noted that there was a common view among the Fellows that there would be a Paris Agreement with legally binding elements. She said while some Parties to the UNFCCC were in favour of legally binding obligations in the Agreement, others were not. A key challenge would be to ensure that the Agreement creates the space for the former to be more ambitious, and encourages rather than kills higher ambition.

She said the Fellows had discussed the need for a simple trigger for the Agreement to enter into force, to prevent a few countries from blocking entry into force.

On the compliance mechanism for the Agreement, Abeysinghe said Fellows had highlighted the need for differentiation; compliance measures for procedural as well as substantive obligations; and the need to incentivize compliance. They had also agreed that mitigation, adaptation and means of implementation

(MOI) should be covered by the compliance mechanism. She called for a discussion on how transparency and accountability measures could aid better implementation and compliance; and what would happen if countries did not comply with their obligations.

In the discussion that followed, participants discussed, *inter alia*, the difficulty of including "differential bindingness on a voluntary basis"; applying the compliance mechanism to elements such as transparency; the US intention to notify an "intent to comply" that could be legally binding; the possibility of keeping the option for some countries to take on legally binding commitments if they so choose; the importance of cycles and progression, to ensure dynamism; the need for legally binding provisions on elements such as updating, reporting, no-backsliding, review, accounting, and aggregate stocktaking; and possible triggers for entry into force.

Abeysinghe summarized the discussion, noting speakers had mentioned that: the Agreement or parts of it could be legally binding; it is important to push for ambition as well as participation; the needs of all Parties should be considered, not only the needs of the US; the compliance process should include a facilitative function; and the new Agreement should create a space for ambition. She said further discussion was needed on: where the INDCs should be housed; whether MOI and adaptation should be covered under the compliance mechanism; whether there should be differentiation in "legal bindingness", particularly for least developed countries (LDCs) and Small Island Developing States (SIDS); how to reconcile an Agreement that is "applicable to all," with INDCs that are determined and differentiated by the countries themselves; how to incentivize compliance; how to differentiate between procedural and substantive compliance; and the possible links between the transparency and compliance mechanisms.

Adaptation, and loss and damage

Thinley Namgyel from Bhutan presented the views of the Fellows on adaptation, and listed key questions for discussion. He said the Fellows' discussion had focused on making adaptation action durable and dynamic, while accelerating implementation. He asked what the new Agreement could do at the international level to enhance the implementation of adaptation; how the European participants see adaptation taking place in 2025, after the new Agreement is in force; how to capture the link between mitigation and adaptation dynamically in the Agreement; and what needs to be done pre-2020, to create opportunities to work together.

In the discussion that followed, participants discussed, *inter alia*, the need for a long-term vision on adaptation, based on goals of resilience and reduction of vulnerability; moving beyond the focus on planning, to enhancing the implementation of adaptation action; ensuring the adaptation needs of developing countries are adequately addressed, based on of clearly communicated needs, and of ensuring adequate support; mainstreaming adaptation efforts could be mainstreamed into adaptation plans; reporting on adaptation, with periodic assessments and reviews; the creation of registries and clearing houses; adaptation as an international as well as local problem; and the need to move beyond a discussion on the costs of adaptation.

Ngmayel then presented the points listed by Fellows on loss and damage for discussion: the inclusion of loss and damage in the new Agreement, to ensure continuity beyond 2016, when the Warsaw International Mechanism (WIM) for Loss and Damage will come up for review; a process to understand loss and damage, and develop approaches to address permanent losses; and finance for loss and damage.

In the discussion that followed, participants discussed: the distinctions between adaptation and loss and damage; the role of risk management; the diversion of already scarce adaptation funds to loss and damage;

links between loss and damage and the Sendai Conference on Disaster Risk Reduction; and difficulties regarding the US in the acceptance of "loss and damage" and any legal responsibility for damages.

Mitigation and transparency of action

This section was initiated by a presentation by Andres Pirazzoli from Chile. He first presented the elements that Fellows had identified as necessary for the long-term collective aspects of the Agreement:

- A mitigation goal framed around a temperature goal of at least below 2°C, with the opportunity to revise it to 1.5°C in light of the 2013-15 review;
- Cycles to assess, adjust and enhance collective mitigation efforts, while reflecting the principle of no backsliding, and of progression;
- Enabling mitigation potential with MOI within the communication-consideration-inscription timeframes; and
- Linking mitigation, MOI and adaptation efforts.

He said Fellows also discussed that mitigation commitments by individual countries should:

- be legally binding;
- be reflected, considered and inscribed through consistent cycles;
- enable progressively enhanced action and no backsliding;
- provide clarity and understanding, based on commitment types;
- enhance transparency based on counting and accounting rules;
- be supported by an incentive-based implementation system; and
- address differentiation.

In the discussion that followed, participants discussed, *inter alia*: what a collective mitigation goal would look like; the importance of the global stocktaking in reviewing progress towards this goal; the challenges with including a specific numerical target in a legally binding agreement; the importance of differentiation and CBDR with regard to the adoption of such a goal; and how to enable mitigation through adequate means of implementation (MOI).

Finance for the Paris Agreement

This section was kicked off by a presentation by Benito Müller. Müller described an ecbi initiative for "enhanced direct sourcing of multilateral funds." He said the initiative aims to create a space for sub-national governments to contribute a portion of the proceeds from sub-national emissions trading markets, such as those in California and Quebec, to contribute to the LDC Fund (LDCF) as a gesture of solidarity. The LDCF could then serve as an "institutional capacitor" to help the LDCs access funding for adaptation and mitigation from other sources.

Müller then highlighted two key elements of the climate finance discussions among the Fellows: enhancing the credibility of the developed country pledge to mobilize US $100 billion annually by 2020; and ensuring geographical and thematic balance in its distribution. He noted that if finance contributions take place in the same way as mitigation contributions, and are nationally determined and communicated, it will be very difficult to ensure that they meet the collective goal, or to ensure a balance. However, he pointed out that the GCF already has a formal replenishment process where contributors are contractually bound, and it is already mandated to ensure thematic and geographical balance. He said the Paris Agreement could establish a replenishment process for the UNFCCC financial mechanism as a whole. Under this process, a needs-based

approach could be used to arrive at an overall goal for the replenishment. Countries could then pledge enough funds to collectively meet this goal, and these pledges would be covered by a contractual agreement with the financial entity (as they already are), making them legally binding. In this way, he said, a key issue of contention between developed and developing countries, on the MRV of climate finance, could be overcome without introducing any new processes.

In the discussion that followed, participants discussed, *inter alia*, existing initiatives on the reporting of climate finance and the need for initiatives that allow recipient countries to be part of the discussion; and the possibility of adopting the process used with the Montreal Protocol to assess costs of implementation for the UNFCCC.

Views on timeframes and cycles

The session on timeframes and cycles of contributions under the Paris Agreement was kicked of by a presentation by Xolisa Ngwadla from South Africa, on the views of the Fellows, and questions to explore with EU colleagues. He presented four main issues related to timeframes and cycles (features of a possible cycle, and specific elements relating to adaptation, finance and mitigation). Discussions took place after each issue was presented.

On the **overall features of the cycle**, Ngwadla said a proposal for a "Dynamic Contributions Cycle" (DCC) had emerged at the 2014 Oxford Seminar, where countries communicate their contributions over a 10-year period. However, under the DCC, only the contributions for the first five years would be inscribed, while the contributions for the following five years would only give an indication of the country's intent. Such a cycle, he said, could help ensure a durable and ambitious Paris outcome, with cycles linked to each other, and with the flexibility for countries to change their contributions for the second five-year period, once national consultations had taken place. This would also allow for individual and aggregate contributions to be assessed, and indicate the emissions gap that remains to be addressed.

He said the INDCs that had been submitted so far included either a 2025 or 2030 outlook, and still technically allowed for a 5+5 formulation with the DCC, and there is still time for further elaborations in 2016-2017, consideration of the aggregate in 2018, and inscription of the contributions in 2019. He said the scope of the cycles should include contributions related to adaptation, mitigation, finance, technology, capacity building and modalities agreed in the Paris Agreement.

He noted there were differences in understanding what procedures should be followed for the aggregate consideration; whether assessments should be technical or consultative/ diplomatic; and whether these should be differentiated on the basis of the type of obligations, types of mitigation commitments, and equity.

In the discussion, participants discussed whether a stocktaking could take place before 2020 before the entry into force of the new agreement; whether the EU could interpolate a 2025 number; the need for a common cycle for all countries, in order to carry out an effective global stocktake; and the possibility of using the stocktake to link mitigation and adaptation to MOI.

Ngwadla then presented the second section of the Fellows' discussion, on timeframes and cycles in the **adaptation cycle**. He said as the first step in the cycle, countries would communicate their planning and implementation needs; developing countries would record their adaptation efforts; and developed countries would indicate the support they intend to provide for the upcoming cycle. For the first cycle, the principles and modalities of the global stocktake during the consideration phase would have to be agreed. In Paris, countries

would have to agree planning and implementation guidelines; needs assessment methodologies; transparency of adaptation support provisions; and guidelines for seeking recognition for their efforts. Two years before implementation is to take place (in 2018 for the first cycle), an aggregate stocktaking could take place on the basis of agreed guidelines and methodologies. The outcome of this stocktaking process would be an assessment of gaps in planning regimes and in the adequacy of MOI. The final inscription for the first cycle would then take place in 2019. He noted that the Fellows had sought assurances with regard to sharing the financial burden; non-intrusiveness; and flexibility in adaptation planning, without conditionalities.

In the discussion that followed, participants discussed, *inter alia*, whether all countries would have to come forward with something on adaptation; and the kind of information that would be included in an adaptation INDC.

Ngwadla then presented the Fellows' discussion on the **finance cycle**.

He said the Fellows proposed that 3 years before implementation, the minimum levels of support for the post-2020 period would have to be communicated, including on replenishment finance; multilateral finance, bilateral finance, and private sector finance. During this time, the principles and modalities of the global stocktaking would also have to be agreed, based on aggregate needs; and the process to house the final inscriptions in the Agreement would have to be formalized.

During the first start-up period, decisions will have to be taken in Paris on the transparency guidelines for accounting different types of support; the multilateral provisions for replenishment finance; and the modalities for the aggregate assessment of support.

Two years before implementation, in 2018 for the first period, further development can take place of the accounting and transparency provisions; and stocktaking can take place in aggregate, on the basis of agreed guidelines and methodologies. A year before implementation, in 2019 for the first period, the inscription of undertakings for the upcoming cycle would take place.

He asked how ambition in the post-2020 period could be enhanced, along with the transparency provisions.

In the discussion that followed, participants discussed, *inter alia*, the challenges for developed countries to indicate what they can provide over a five-year period; how this is already done under the Montreal Protocol for a four-year period; the need to include all sources of finance, including South-South and national investments; and how to anchor existing financial institutions in the new Agreement.

Ngwadla presented the final section of the Fellows' discussion, on the **mitigation cycle**.

He said the Fellows proposed that three years before implementation, Parties would agree on the minimum information to be communicated, and agree on timeframes; principles and modalities would be agreed for the global stocktaking process based on planning and implementation needs; and the inscription procedures would be formalized.

At Paris, Parties would elaborate on the stocktaking modalities and how to achieve fairness of efforts.

Two years before implementation, an aggregate stocktaking would take place based on agreed guidelines and methodologies, which would provide an assessment of gaps in planning, and of adequacy of support. The inscription of contributions would then take place a year before implementation is to begin.

The Fellows asked how intended contributions could be assessed and benchmarked; and how equity considerations would be incorporated. They also called for views on the inscription process.

In the discussion that followed, participants discussed, *inter alia*, the difficulties of having an ex-ante assessment process with equity considerations; difficulties with having a global stocktaking in 2018; and the use of terms like "obligation of conduct" or "obligation of outcome" in the context of mitigation contributions.

What needs to be done between now and Paris

In the final session, participants discussed the way ahead.

A developing country participant said the Seminar had extremely helpful in shedding light on territories that need to be flattened out, and possible landing zones. He highlighted transparency of finance as a critical area to be addressed before and at Paris.

A European participant agreed that the meeting was useful in understanding what lies ahead, and urged a sense of realism and pragmatism in the coming months, with a focus only on essential issues that must be in the Agreement. He said the INDCs had helped resolve the differentiation issue to some extent, and highlighted the need to build future ambition, while also focusing on initiatives outside the UNFCCC process, such as local government initiatives.

The meeting was closed by Kjellén, who praised the compact way of working at the ecbi Seminars, and said the two days had been particularly useful. He expressed confidence in the organization of the Paris conference, describing it as a sort of rendezvous with the future where anything is possible, and a final confirmation of all the effort that the international community has put in after the Copenhagen conference.

In the feedback provided at the end of the Seminar, participants praised the "frank, rational and hats-off discussions in formal meeting room settings and informal evening settings [which] allowed us to gain more clarity on EU positions"; welcomed the opportunity to "understand what others are thinking rather than defending group position"; and thanked the ecbi for "fostering mutual understanding and trust among negotiators which is very important to achieve consensus".

A more detailed report of the 2015 Oxford Fellowship and Seminar is available here.

The following message from Ambassador Jan Cedergren, Board Member of the Green Climate Fund from Sweden, was read out by Ambassador Bo Kjellén, ecbi Advisory Committee member, at the ecbi Seminar dinner on 10 September 2015.

I am sorry that I could not join you at this special event, because of a sudden sickness in the family. However, I would like to leave with you a few words regarding a very important achievement in the Green Climate Fund Board where the host of this seminar, Benito Müller, and ecbi have played a decisive role.

It is about Enhanced Direct Access. An important decision was taken at the last Board meeting in Songdo in July to launch a pilot scheme of US$ 200 million for at least ten pilots of US$ 20 million each. Four pilots are to be implemented in Small Island Development States, Least Developed Countries and African states.

This was the result of a long and somewhat difficult process starting with a rather vague mandate in the Governing Instrument of the Fund, promoting additional modalities that further enhance direct access. A first decision was taken at a Board meeting in Barbados in late 2014 asking for more details on the Terms of Reference for a Pilot Scheme. A further discussion in the Board was held in the beginning of 2015 but no decision was taken because of lack of time. The size and time frame of the pilot was discussed as well as oversight and control. Intensive work was carried out in 2015 to produce a detailed proposal to the Board with the involvement of the Secretariat, the Accreditation Committee, and ecbi with Benito in his advisory role. The idea of having a National Oversight and Steering Function came up. I want to pay tribute to Benito and ecbi for the professional and timely support they provided during the whole process.

What is enhanced direct access all about? It is about promoting country ownership. It is about devolution of decision making to the national, sub national and local level. It is about engaging local stakeholders. It is about also engaging small and medium enterprises in developing countries.

A successful implementation of the Enhanced Direct Access Pilots will promote the overall ambitions of the Green Climate Fund and show the way on how to provide climate finance in a sustainable and innovative way.

Thank you and good luck with your work!

Jan Cedergren

Meeting between the SCF and Adaptation Fund Board

In December 2014 in Lima, Peru, the COP requested the Standing Committee on Finance (SCF) in Decision 6/CP.20, paragraph 22 to consider issues related to possible future institutional linkages and relations between the Adaptation Fund and other institutions under the Convention. In April 2015, the Adaptation Fund Board requested the its Chair and Vice-Chair "*to initiate consultations with the SCF and start a dialogue with the Green Climate Fund (GCF) Board, on potential linkages between the two funds and request the issue of complementarity between the two funds to be considered by the GCF Board at the earliest*."

To facilitate this dialogue, the ecbi organised a Seminar on 11 June 2015, the eve of the 10th SCF meeting at La Redoute in Bad Godesberg, to discuss agenda item 8 on these linkages and relations. The meeting, co-hosted by Seyni Nafo, Outi Honkatukia (Co-chairs, SCF), Hans Olav Ibrekk (Chair, Adaptation Fund Board), and Benito Müller (Director, ecbi), was attended by 10 SCF members, including both Co-Chairs, the Chair and the Vice-chair of the AFB, and 4 members of the respective Secretariats.

The dinner started with a brief welcome by Honaktukia, who thanked the ecbi for organizing the event which she viewed as an excellent opportunity to interact informally between friends of the Adaptation Fund. She

then gave the floor to the ecbi Director to deliver a scene setting presentation on T*he Adaptation Fund in the new climate finance regime: Its role in relationship with the GCF*. The presentation argued that a division of labour between the GCF and the Adaptation Fund could be a win-win situation for both funds. The Adaptation Fund could become the GCF's "multilateral retail outlet" for small concrete adaptation projects, while itself focusing on medium and large programmes, preferably carried out through its Enhanced Direct Access modality. Such a division of responsibilities would maximise the benefits that could be drawn from complementarities between the two funds and as such would probably have to be agreed in an MOU between the Boards of the two funds. Given the current funding predicament of the Adaptation Fund, such an MOU would probably have to be buttressed with GCF funds, which would mean that the Adaptation Fund would need to become an accredited multilateral GCF intermediary.

Following this introductory presentation, the Adaptation Fund Board Chair made a few comments on the current situation of the Adaptation Fund, emphasizing the merits of the Adaptation Fund (experience in funding concrete adaptation projects, pioneering both direct access and managing funding based on innovative finance) as well as the problems facing it (particularly the dearth of resources due to the collapse of the CDM market). Mark Storey, one of the co-facilitators of the SCF working group on agenda item 8 then briefly outlined the outcome of the working group deliberations at the preceding SCF meeting.

These introductory remarks were followed by a lively and very constructive discussion under the Chatham House Rule, with questions ranging from whether a GCF accreditation of the Adaptation Fund would require CMP consent (answer: no) to whether outsourcing anything to the Adaptation Fund would not inevitably mean more transaction costs due to the introduction of a "middle man". In his closing remarks for the event, the ecbi Director took up this question which he argued was based on a misunderstanding of "outsourcing": clearly outsourcing involves the introduction of a 'middle man', and clearly this can mean additional costs, but this is by no means always the case. If it were, then it would be difficult to explain why so many private sector enterprises opt for outsourcing as a cost saving alternative to in-house management.

Ad hoc Seminar for the Adaptation Fund Board

On 8 April 2015, the ecbi organised an Ad hoc Seminar for the Adaptation Fund Board, co-hosted by the Chair and the Vice-chair of the Adaptation Fund Board, on the topic of linkages between the Adaptation Fund and the Green Climate Fund, in particular with respect to receiving GCF funding. There were participants from the Bahamas, Burkino Faso, China, Egypt, Finland, France, Germany, Ghana, Grenada, Jamaica, Kenya, Mexico, Nepal, Nigeria, Norway, Sri Lanka, Sweden, and Switzerland.

I am grateful for your overall contributions during the event including your excellent presentation on the role of the Adaptation Fund in the new climate finance regime and its relationship with the GCF, as well as your facilitation of the lively discussion among the Board members and other participants. The discussion provided the Board with an excellent opportunity for brainstorming in a confidential setting before the formal discussion took place during the 25th meeting of the Board on 9-10 April. Even as the eventual Board decision was not quite as far-reaching as the emerging consensus during the dinner discussion might have allowed to anticipate, I am certain that it helped converge members' views and laid important foundation for future deliberations and decisions by the Board. Your insights and suggestions are very useful as we develop a strategy for the COP21/CMP11 in Paris as well as for our deliberations on the future of the Adaptation Fund.

Hans Olav Ibrekk
Chair of the Adaptation Fund Board

Ad hoc Seminar on Enhanced Direct Access

On 5 July 2015, during the GCF Board meeting in Songdo, the ecbi arranged an Ad hoc Seminar on Enhanced Direct Access for the ecbi GCFB Caucus, with special focus on how EDA could be used to mobilize Small and Medium Enterprises (SME) in developing countries, as discussed in an OCP/ecbi Working Paper on *Engaging Micro, Small, and Medium Enterprises in developing countries: Enhanced Direct Access and the GCF Private Sector Facility*.

New Delhi Consultation on Consolidation and Devolution of Climate Finance

An informal roundtable consultation with senior government officials on Consolidation and Devolution of Climate Finance in India took place at the India International Centre, New Delhi, on 7 August 2015. The consultation was organized jointly by OCP and Keystone Foundation, and sponsored by BothEnds and the European Capacity Building Initiative (ecbi). It was co-facilitated by Rita Sharma, former Secretary to the Government of India, Ministry of Rural Development (MORD); and Prodipto Ghosh, former Secretary to the Government of India, Ministry of Environment, Forests and Climate Change (MOEFCC).

Over 23 senior government officials participated in the meeting, including representatives from the Ministries of Agriculture; Environment, Forests and Climate Change; Finance; Health and Family Welfare; Rural Development; and Water Resources. The Deputy Managing Director of the National Bank for Agriculture and Rural Development (NABARD), and the Chief General Manager of the Small Industries Development Bank (SIDBI), two of the designated national implementing entities for the Green Climate Fund (GCF), also participated, along with the Indian member of the GCF Private Sector Advisory Group. Ousseynou Nakoulima, Director of Country Programming at the GCF, joined the second session of the consultation through video link. A list of participants is appended to this report.

There have been a number of national and international developments on climate change finance recently in India. While allocations for climate change have been made in the last few budgets nationally, globally the Green Climate Fund is expected to start disbursing funds from later this year. In this context, Keystone Foundation and OCP recently undertook a review of climate finance arrangements in India, specifically from the perspective of channeling adaptation finance to poor and climate-vulnerable communities, who are likely to be the worst impacted by climate change.

The resulting paper, *Consolidation and Devolution of Climate Finance: The Case of India*, identifies existing gaps in the climate finance architecture, and in readiness to channel national and international funding to vulnerable communities.

The consultation on 7 August 2015 was held to bring together critical government actors, including those who already work with climate-vulnerable communities but are not currently part of the discussion on climate finance (such as the ministries of rural development, Panchayati Raj, water and agriculture). The consultation sought to discuss:

- How to widen participation and ownership of climate finance and action, to include missing sectors and actors;
- How national and international climate finance can be "consolidated" to work towards common, nationally-determined, goals and targets;
- How climate finance can be devolved, to reach the most vulnerable;
- Latest developments under the GCF, particularly with respect to a new modality of "Enhanced Direct Access" (EDA), and how India can leverage this new modality to benefit vulnerable communities and strengthen existing national programmes such as the National Rural Employment Guarantee Act

(NREGA); and
- Mitigation-related climate finance in the context of channeling funds from the GCF's "Private Sector Facility" to micro-, small- and medium-sized enterprises (MSMEs).

The meeting was restricted to a select group of government representatives from critical sectors, and took place in a round-table format to provide an opportunity for open debate. The first session discussed existing arrangements for climate finance in India, while the second session discussed the GCF's EDA pilot, and India's potential response.

A more detailed report of the consultation is available here.

Training and Support Programme

The Training and Support Programme (T&SP) secured funding until 2019 from IKI in 2015, to carry out regional workshops and pre-COP workshops, fund some bursaries, and produce some background papers.

Training

Pre-COP 21 Training Workshop

A Pre-COP Training Workshop for LDC negotiators was organised by ecbi and IIED in Paris, France, on 28 November 2015 in advance of COP 21. Attended by 20 LDC negotiators new to the climate negotiations, the full-day workshop sought to provide participants with an overview of the upcoming COP as well as background on issues of importance to the LDC Group. It included presentations on the Paris agendas and the key thematic issues of the negotiations including: adaptation, loss and damage (L&D), capacity building, mitigation, transparency, finance and legal issues. The LDC Group Chair, Giza Gaspar-Martins of Angola, also addressed the meeting to apprise participants of the key priorities for the LDC Group in Paris.

A more detailed report of the consultation is available here.

Other training activities

In August 2015, LRI facilitated a legal training workshop in Cameroon attended by climate negotiators, government officials, lawyers and civil society representatives. The training was of practical scope and tailor-made to prepare French speaking participants for the December COP 21 meeting in Paris.

LRI also developed an online course in collaboration with the United Nations Environment Programme and other organizations (available through the UN's INFORMEA e-learning platform) which acts as an introduction to the UNFCCC and the Kyoto Protocol.

Support

The ecbi team continued its support for developing country members of a number of UNFCCC bodies, in particular the Green Climate Fund Board, the Adaptation Fund Board, and the Standing Committee on Finance. At COP 21 in Paris, it worked closely together with the LDC Group, with the ecbi Director supporting the LDC finance team, in their attempt, jointly with the Alliance of Small Island States, to establish a Joint Replenishment Cycle for the Paris Financial Mechanism.

As developing country Co-chair of the ecbi Advisory Committee and as Head of the Gambian delegation at COP 21 it gives me great pleasure to send you this letter of appreciation for the valuable support we and the whole LDC Group received from OCP, IIED and LRI, the three ecbi Lead Members, during and in the run up to COP 21 which just ended with the adoption of the historic Paris Agreement.

The IIED and LRI support team, in general, and Achala Abeysinghe through her indefatigable work as legal advisor of the Chair, in particular, have been an invaluable asset to LDC Group during the negotiations. Achala, as Head of the ecbi Training and Support Programme, and her team are also to be commended for conducting a very successful pre-COP training workshop for junior LDC negotiators.

I would also like to express my appreciation for the support of the ecbi to something that is very dear to the LDC Group and to me personally, namely the future of the Least Developed Countries Fund (LDCF) in the new financial architecture. I agree wholeheartedly with your assessment that the current voluntary contribution model is not sustainable and that we need to look for alternative more predictable funding sources. In this context, I would like to commend the senior developing country negotiators participating at the 2015 ecbi Fellowship for their idea of a Paris Replenishment Cycle for the financial mechanism of the new Agreement, which as you know was adopted as one of the Group's priorities in Paris.

Your personal effort over the last six months in encouraging sub-national contributions to the LDCF culminating in the ground-breaking announcement by the Premier of Quebec of a US$ 6 million contribution to the LDCF in Paris must also be acknowledged in this context, as well as your support in drafting the new guidance to the Global Environment Facility regarding a study on the role of the LDCF as a capacitator fund. The ecbi has provided sterling support to the poorest and most vulnerable countries in the run up to and at COP 21, and I look forward to continuing our productive collaboration over the coming months and years.

Pa Ousman Jarju
Minister of Environment, Climate Change, Forestry, Water & Wildlife, The Gambia

Publications and Policy Analysis Unit

Two ideas that arose out of ecbi publications and Fellowship events made it into the Paris Agreement this year: the five-year cycles proposed for Nationally Determined Contributions (NDCs); and the idea of asking sub-national governments to contribute to climate finance.

The proposal for a Dynamic Contribution Cycle arose out of the 2014 Oxford Seminar. It evolved further in the Bonn Seminar and in an ecbi publication (*A Dynamic Contribution Cycle: Sequencing Contributions in the 2015 Paris Agreement*), and in turn, became the basis for a number of submissions by Parties (including Brazil and AILAC) to the UNFCCC. The key elements of this proposal eventually formed part of the Paris Agreement, which calls for five-year cycles to review and communicate NDCs. However, the full potential of these five-year cycles to drive ambition in future is not realised because they are divided into two tracks. ecbi has already published a policy brief showing how these two tracks can be easily harmonised, to realise the full potential of the Paris Agreement in encouraging countries to "ratchet up" their ambition.

The second idea, of asking sub-national governments that already participate in carbon trading to contribute to climate finance for the poorest and most vulnerable countries, was first put forward in *The Paris Predictability Problem: What to do about climate finance for the 2020 climate agreement?* Following an effort to engage with these sub-national governments and persuade them, the government of Quebec, Canada, announced a contribution of six million Canadian dollars to the UN Least Developed Countries Fund. As the first significant contribution by a sub-national government to a multilateral climate fund, this is a ground-breaking announcement with a historic potential that could change the paradigm of multilateral finance.

Meanwhile, the Green Climate Fund (GCF) continued its work towards announcing a pilot programme on Enhanced Direct Access (EDA), another idea that arose out of an ecbi publication. An announcement calling for proposal submissions is likely to introduced this year, and ecbi continues to engage with the GCF in ensuring the original ideas behind the proposal are the driving force behind the GCF's EDA pilot phase. This year, we also published *Enhanced Direct Access: A Brief History (2009-15)*, in an effort to raise further awareness of the key elements of EDA.

A set of publications from last year, *Consolidation and devolution of national climate finance: The case of India* and *Engaging Micro, Small, and Medium Enterprises in developing countries: Enhanced Direct Access and the GCF Private Sector Facility*, were presented at the national level in India in a consultation with senior policy-makers, to encourage a national understanding of EDA. We continue to work with other national governments to help them understand EDA, and ensure that they are encouraged to put forward a proposal when the GCF sends out a call.

Our meeting reports for the ecbi Bonn Seminar, Oxford Fellowship and Seminar, and pre-COP Workshop sought to reach a broader audience than was present at our events. The outreach mechanisms that have been most successful for ecbi policy analysis include presentations to senior negotiators at events organized by ecbi and others; distribution of the Policy Briefs at these events; and the inclusion of negotiators in the process of writing / reviewing the report to ensure better ownership.

List of Publications

Policy Briefs

1. *A Dynamic Ambition Mechanism for the Paris Agreement*. *Benito Müller, Harro van Asselt, Cristina Carreiras, and Kaveh Guilanpour*. At the heart of the Paris Outcome is a five-year cycle for reviewing and communicating Nationally Determined Contributions (NDCs), which includes key components of the Dynamic Contribution Cycle proposed by ecbi, but omits a key component that is essential to drive ambition. The Note calls for the harmonization of the two tracks proposed for these five-year cycles in the Paris Agreement, in order to drive ambition. In practice, this could be achieved by requesting all Parties to communicate a 2035 NDC and update their 2030 NDC in 2025, and do so every five years thereafter.
2. *Enhanced Direct Access: A Brief History (2009-15)*. *Laurel Murray, with Benito Müller and Luis Gomez-Echeverri*. This brief history of Enhanced Direct Access traces the idea back to a number of historic precursors, such as the Kreditanstalt für Wiederaufbau (KfW under the Marshall Plan, the World Bank Kecamatan Development Program in Indonesia, and the Brazilian Amazon Fund. It then follows how the idea evolved under the Bali Action Plan, the Transitional committee for the design of the Green Climate Fund (GCF) and finally, the GCF Board, culminating in the establishment of a GCF EDA Pilot Phase.
3. *Procedural Arrangements for the Paris Replenishment Cycle*. *Benito Müller and Xolisa Ngwadla*.
4. *Strategic Divisions of Labour: Submission to the Green Climate Fund Board*. *Benito Müller*. This submission to the GCF Board argues that it is imperative that the recently launched GCF strategic planning process focus not only on strategic objectives and the like, but also on institutional and governance architecture, and in particular on enhancing complementarity, effectiveness, and efficiency through a division of labour between the GCF as wholesale agent, and other funding entities as specialized retailers, be it in-country (preferably) through Enhanced Direct Access, or through designated international funds, in particular those that will be serving the financial mechanism of the new Paris Agreement.
5. *A Paris Replenishment Cycle for Contributions to the UNFCCC Financial Mechanism*. *Benito Müller and Xolisa Ngwadla*.
6. *The Paris Predictability Problem: What to do about climate finance for the 2020 climate agreement?* *Benito Müller.*
7. *Institutional linkages and relations between the Adaptation Fund and other institutions under the Convention*. *Benito Müller.*
8. *What's in a name? The naming of GCF accreditation categories*. *Benito Müller.*

Meeting Reports

9. Oxford Seminar Report 2015
10. Bonn Seminar 2015 Report
11. Pre-COP Training Workshop for LDC Negotiators

Gender Strategy

Continuing its commitment to mainstream gender in all its activities, the ecbi endeavoured to significantly improve the gender balance of participants in it activities in 2015, within the limitations of the existing gender balance of national negotiating teams from which most of our participants are drawn.

In 2015, the Bonn Seminar registered 10% increase in the participation of women compared to 2014. However, participation by women decreased significantly from 32% in 2014 to 22% in 2015 in the Oxford Fellowship and Seminar, for which participation is made by the chairs of the representative groups on the basis of the representation and leadership in the negotiation bodies (see table on Gender Representation in the ecbi's 2015 activities). This trend follows the overall decrease of women participation in UNFCCC activities in 2015. According to the UNFCCC's 2015 Report on Gender Composition, the representation of women in most bodies under the UNFCCC has decreased or remained unchanged, except for the Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts, where it increased by 5%.

During the 2015 Oxford Fellowship, participants discussed the status of gender integration in the negotiations for the Paris Agreement. The presentation highlighted the history of gender integration in the overall negotiation process, as well as the status in the latest negotiation text. During the discussion, participants discussed not only on the relevance for inclusion of gender in the Paris Agreement, but also concrete approaches and strategies for anchoring gender in the Paris Agreement. The interesting discussions during this session allowed countries negotiators, including chairs of relevant negotiation groups from developing countries and chairs presiding over UNFCCC bodies, to understand the relevance of integrating gender in the negotiations, contributing to the momentum to ensure the integration of gender concerns, for the first time, in an international treaty on climate change. Of the three Rio Conventions, the UNFCCC was the only one without any reference to gender. The Paris Agreement represents an overdue achievement to support better consideration of gender equality in the implementation of the Paris Agreement, as well as in all climate-related policy frameworks at the domestic level.

Beyond the ecbi activities supported by the SIDA, the bursary programme managed by IIED supported women delegates in the 2015 UNFCCC negotiations. This bursary programme has further initiated collaboration with the wider gender and women constituency of UNFCCC, ensuring full access and participation of the sponsored women delegates in the activities of the gender constituencies under the UNFCCC.

More specific and targeted activities to integrate gender into the climate negotiations are planned in the months and years to come.

Gender Statistics for the Fellowship Programme			
Activity	**% of women in 2015 (number)**	**% of women in 2014 (number)**	**Selection procedure**
Oxford Fellowship and Seminar	12% (3)	23.5% (7)	Selection of the participants made by the Chairs of the groups
Ad-hoc Seminars	32% (8)	22% (12)	Self-selection

Outcomes and emerging impacts

The Dynamic Ambition Mechanism

In August 2014, during the tenth anniversary ecbi Oxford Fellowships and Seminar, a number of senior developing country negotiators developed an idea regarding a periodic process for enhancing the ambition of contributions under the Paris Agreement. They published the idea as *A Dynamic Contribution Cycle* (DCC), with Xolisa Ngwadla (South Africa) and Jose Miguez (Brazil) as lead authors.

On 6 November, the DCC idea was submitted to the UNFCCC as part of the *Views of Brazil on the Elements of the New Agreement under the Convention applicable to All Parties* (Brazil, 2014), because:

> "*The agreement itself must provide for the procedures to enhance ambition over time, … . Brazil recognizes it is important to avoid 'locking in' contributions in the long term. It is also important to avoid that successive cycles of contributions become subject to renegotiations and political bargain. With a view to addressing these issues, Brazil proposes a 'dynamic contribution cycle', based on ten-year periods, with two five-year contribution terms. The purpose of this approach is to allow the adjustment of contributions with a view to enhance ambition, while providing long term perspectives for Parties and stakeholders*."

The DCC idea proved to be a key influence on what might be called the "Contribution Framework" of the Paris Outcome. An OCP/ecbi Discussion Note entitled *A Dynamic Ambition Mechanism for the Paris Agreement*, published in March 2016, analyses this Contribution Framework with respect to key ambition features of the DCC proposal, namely:

- accommodation of the fact that once contributions are inscribed, they are in many cases politically "locked-in",
- provision of ***shorter-term predictability*** through the inscription of the five-year term contributions with a ***medium-term indication*** of how the contributions are going to evolve (thus avoiding being caught by surprise every five years).

Due to envisaged different time frames in the initial Nationally Determined Contributions (NDCs), the communication and updating components of the Contribution Framework are divided into two different tracks: a five-year time frame (paragraph 23, or§23, of the Paris Outcome) and a ten-year time frame (§24) track. The Note concludes that while the Contribution Framework contains all the relevant key ambition features of the DCC, their potential is not fully realized because they are divided between the two tracks. It recommends that the "ratcheting-up" potential of the Contribution Framework be enhanced by harmonising the two tracks. In practice, this could be achieved by simply ***requesting all Parties in 2025 to communicate a 2035 NDC and update their 2030 NDC, and to do so every five years thereafter***.

The Note finally emphasizes that the "Ambition Mechanism" thus defined would be able to harness all the advantages of the DCC proposal without prejudice regarding the length of time frames.

Enhanced Direct Access

Apart from providing support for the ecbi constituent members of the GCF Board, particularly the members of the Accreditation Committee which is supervising the development of the EDA Pilot Phase, the ecbi has started to approach key countries to encourage them to design an EDA pilot programme proposal. This new work stream was initiated with an Ad-hoc Seminar in New Delhi, India (The Delhi Consultation on Consolidation and Devolution of Climate Finance in India) on 7 September 2015).

The consultation was co-facilitated by Rita Sharma, former Secretary of the Rural Development, and Prodipto Ghosh, former Secretary of the Environment, Forests and Climate Change. Among the 23 participants were representatives from the Ministries of Agriculture; of Environment, Forests and Climate Change; of Finance; of Health and Family Welfare; of Rural Development; and of Water Resources. The Deputy Managing Director of the National Bank for Agriculture and Rural Development (NABARD), and the Chief General Manager of the Small Industries Development Bank (SIDBI), two of the designated national implementing entities for the Green Climate Fund (GCF), and the Indian member of the GCF Private Sector Advisory Group, also participated.

Sub-national Multilateral Finance

Oxford Climate Policy has been instrumental in facilitating the ground-breaking announcement of Quebec in Paris to put $ 6 million in the LDCF (managed by the Washington-based Global Environment Facility GEF). The idea behind the Quebec announcement was first published in a May 2015 OCP/ecbi Think Piece entitled: *The Paris Predictability Problem: What to do about Climate Finance for the 2020 Climate Agreement?*, followed in June by a Climate Strategies Policy Brief It all began with a policy brief on *Finance for the Paris Climate Compact: The role of earmarked (sub-) national contributions*.

After discussions with the Quebec delegation in Bonn during the June intersessionals, we were introduced by Christiana Figueres' office to the office of Premier Couillard of Quebec, and we were subsequently facilitating the idea through our support and introductions, among others, to the CEO of the GEF.

To build on the momentum created by Quebec in Paris and facilitate follow-on steps in that direction, we teamed up with Frédéric Gagnon-Lebrun at the IISD Brussels office and Peter Fox-Penner at the Boston University Institute for Sustainable Energy to work together on a project concerning innovative multilateral climate finance from North American sub-nationals.

As witnessed by the international reaction, Quebec's announcement of a one-off LDCF contribution was undoubtedly an important first step in the right direction. But, by itself, it is not sufficient to deliver genuinely sustainable finance in support of the most vulnerable countries.

By far the best way to achieve this is through the use of so-called innovative finance, such as a small share of emission auctioning proceeds. To build on the momentum created by Quebec and facilitate follow-on steps in that direction, we have teamed up with Frédéric Gagnon-Lebrun at the IISD Brussels office and Peter Fox-Penner at the Boston University Institute for Sustainable Energy to work together on a project concerning innovative multilateral climate finance from North American sub-nationals. In that context, we are in touch not only with the Office of Premier Couillard in Quebec, but also with Iain Myrans (Policy Director & Sr Climate Policy Advisor) in Minister Murray's Office in Toronto, and Cliff Rechtschaffen, (Senior Advisor on climate, energy, and environmental issues) as well as Ken Alex (Senior Policy Advisor and Director of the Office of Planning and Research) in the Office of Governor Brown in Sacramento.