



# European Capacity Building Initiative ecbi

## FINANCE CIRCLE MEETING WARSAW, 13 NOVEMBER 2013

A meeting of the ecbi Finance Circle was held on 13 November at COP 19 in Warsaw. There were 26 participants from Algeria, Bangladesh, Belgium, Botswana, the DRC, the EU, France, the Gambia, Germany, Mexico, the Netherlands, Norway, Sweden, Switzerland, Uganda, the UK, and the US – including two co-chairs of the LTF and the SCF. The meeting was moderated by Benito Müller, who is also responsible for this short report of the proceedings.

Two topics, chosen from a list of 11 prior to the meeting suggested by the co-chairs, were discussed:

1. How to continue the work on LTF, possibly in the context of the SCF and/or other committees?
2. GCF Mobilization of resources - securing political commitments to ensure GCF replenishment. Numbers, perhaps?

### **The future of the Work Programme on Long-Term Finance**

The attending LTF co-chair gave a short description of the function and the nature of the LTF, pointing out, in particular, that some of the themes considered may have been too political for an expert body like the LTF.

The question was then raised whether the work undertaken by the LTF should carry on as a stand-alone work programme, or whether it should be given the SCF.

It was pointed out that as far as the technical work was concerned, the work programme format had its advantages in its organisational structure (two co-chairs as opposed to a 'political' committee).

However, it was also highlighted that the SCF is not only a political but also an expert body. As such, it might be more suited to deal with the political topics than a purely expert work programme. One concrete suggestion made in this context was to use the SCF Forum for this purpose.

To conclude, there appeared to be some convergence to continue the LTF work under the aegis of the SCF.

### **The issue of numbers**

The discussion of the second topic very quickly widened into a discussion on numbers in general, and pathways towards the 2020 goal of mobilizing up to \$100 billion of climate finance.

What became clear very quickly is that there is no agreement or even convergence about the need or even usefulness of providing figures in Warsaw. The facilitator suggested two alternatives to providing FSF-type pledges, namely some figure of 'up-to' how much will be mobilized at some point before 2020, or a quantified indication as to how large the GCF is ultimately meant to be. But there was no take-up on these suggestions.

However, a developing country participant pointed out that without acceptable finance figures it will not be possible to have a deal in Paris which led to a lively debate about the need to take into account and acknowledge how funding has evolved in the past.

There was also a suggestion that maybe the pathway to the 2020 \$100 billion should be established iteratively: funding will be determined by 'absorptive capacity', i.e. the number of fundable proposals. However, it was also pointed out that this number depends on the expectation of how much funding there will be available.

Where there was convergence was on the necessity to avoid the mutual recriminations as to whether the FSF was delivered, by and large due to lack of a commonly agreed MRV system. In other words, there was consensus on the need to establish such a system in order to clarify the 2020 commitment and to ascertain whether it was met.