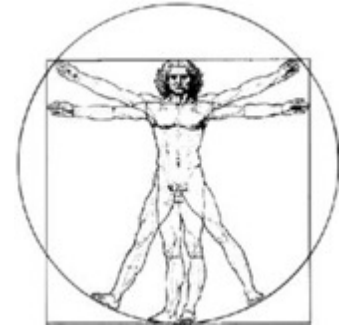


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The Past, Present and Future of the Collective Quantified Goal for Climate Finance

ART. 9.3, §53 I/CP.21, AND

INNOVATIVE SOURCES FOR MULTILATERAL CLIMATE FINANCE

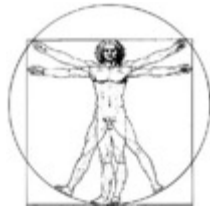
Presentation given at the 2019 ecbi Bonn Seminar,

Benito Müller

Director ecbi

for sustained capacity building in support of international climate change negotiations

pour un renforcement durable des capacités en appui aux négociations internationales
sur les changements climatiques

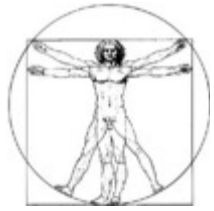


ARTICLE 9.3 PARIS AGREEMENT

As part of a global effort, developed country Parties should continue to take the lead in mobilizing climate finance *from a wide variety of sources, instruments and channels, noting the significant role of public funds*, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties. Such mobilization of climate finance should represent a progression beyond previous efforts.

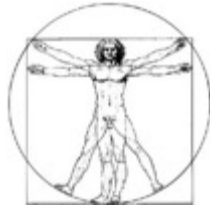
PARAGRAPH 53 OF DECISION 1/CP.2 I

Also decides that, in accordance with Article 9.3, developed countries intend to continue their *existing collective mobilization goal* through 2025 in the context of meaningful mitigation actions and transparency on implementation; prior to 2025 *the CMA shall set a new collective quantified goal from a floor of USD 100 billion per year*, taking into account the needs and priorities of developing countries;



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Genesis of the \$ 100 Billion



17 December 2009

Clinton's \$100-billion Copenhagen bombshell leaves China in role of spoiler

Good COP: Hillary breathes new life into a global deal that the Chinese had been saying can't be done

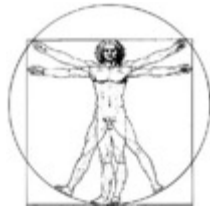
JOE ROMM DEC 17, 2009, 1:21 PM

And today I'd like to announce that, in the context of a strong accord in which all major economies stand behind meaningful mitigation actions and provide full transparency as to their implementation, the United States is prepared to work with other countries toward a goal of jointly mobilizing \$100 billion a year by 2020 to address the climate

We expect this funding will come from a wide variety of sources, **public and private**, bilateral and multilateral, including **alternative sources** of finance.

significant focus on forestry and adaptation, particularly, again I repeat, for the poorest and most vulnerable among us.

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Climate change

Gordon Brown puts \$100bn price tag on climate adaptation

Prime minister attempts to move stalling political talks on global warming away from targets and towards the cost of mitigation



▲ Flooding in Bangladesh: The annual \$100bn falls well short of what developing nations have demanded in climate funding. Photograph: Hassan Bipul/DFID

Gordon Brown today attempted to seize the political initiative on climate change by calling for rich countries to hand over \$100bn (£60bn) each year to help the developing world cope with the effects of global warming.

In a speech at London zoo, the prime minister said the cash offer was intended to break the political stalemate over a new global deal on **greenhouse gas emissions**. He said the "security of our planet and our humanity" rested on such a treaty being agreed at key **UN negotiations in Copenhagen in December**.

David Adam, *environment correspondent*

Fri 26 Jun 2009 15:11 BST

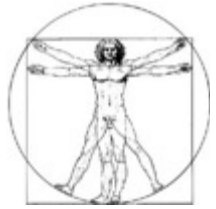


This article is over 9 years old

26 June 2009

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Gordon Brown's Roadmap to Copenhagen Speech



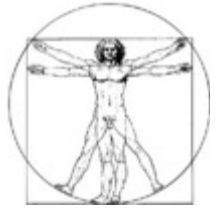
Friday 26 June, London Zoo

Today I want to make a proposal which I hope may advance the discussion among both developed and developing countries and help us move forward towards agreement in Copenhagen.

The private sector has a crucial role to play ... But public finance will also be needed. So I want to propose a new **international partnership on public finance for climate change** ... governed by four principles:

- **Equity** of contribution and allocation.
- **Additionality.**
- **Predictability.** Norwegian proposal, aviation & maritime sectors
- **Shared governance.**

Gordon Brown's Roadmap to Copenhagen Speech



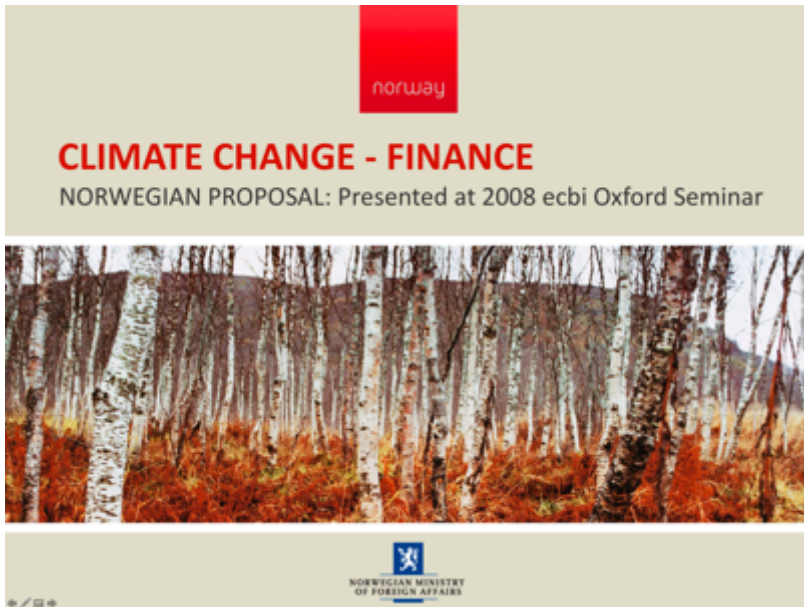
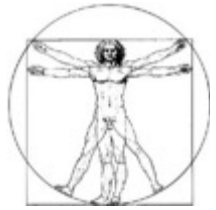
European Capacity Building Initiative ECHI

The Proposal

- So today I propose we take a working figure for this purpose of around **\$100 billion per annum by 2020**. I believe the mechanisms I have set out are capable of raising at least this sum - and it is a credible number against which countries can develop their plans.
- It would come, as I have set out, from a combination of the **carbon market, new and additional sources of predictable finance** and a **limited amount of development aid**.

Gordon Brown's Roadmap to Copenhagen Speech

Analysis: 1. The Carbon Market (Norwegian Proposal)

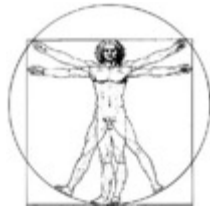


Withhold and auction at the international level a (small) portion from national quota allocation (AAUs)

- 2 % of 1990 Annex I emissions, current (2008) carbon price = **USD 14 billion**
- 2% of 2020 Annex I – 30%, carbon price USD 100/ton = **USD 23,2 billion**

Gordon Brown's Roadmap to Copenhagen Speech

Analysis: 2. "New and additional sources of predictable finance"

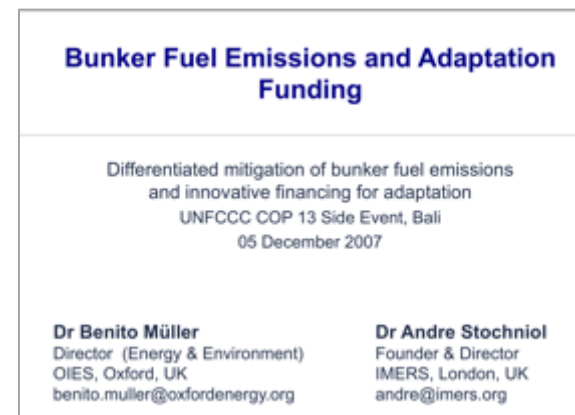
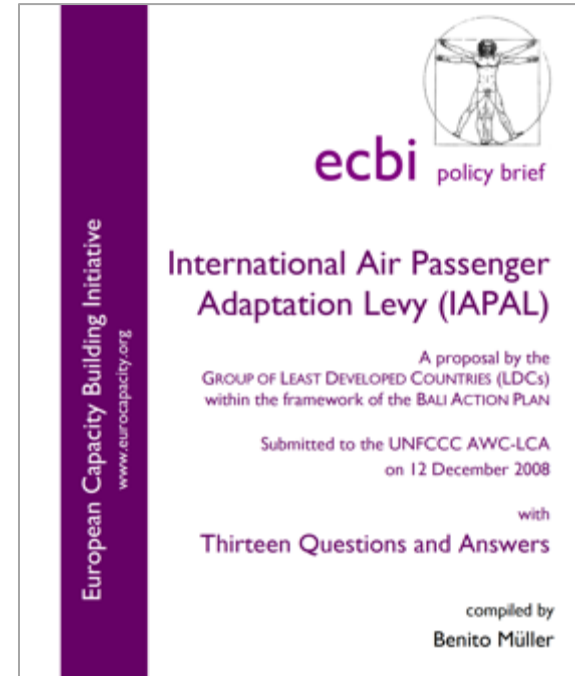


International Air Passenger Adaptation Levy (IAPAL):

- ❖ An average levy of €/5 per ticket would generate around **€/10 billion p.a.**
- ❖ A 2 percent levy — assuming an average ticket price of €/200/500 — would generate **€/7.6/19 billion annually.**

International Maritime Emission Reduction Scheme (IMERS)

- ❖ **US\$ 4 billion p.a.**



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Gordon Brown's Roadmap to Copenhagen Speech



Analysis: 3. “Limited amount of development aid”

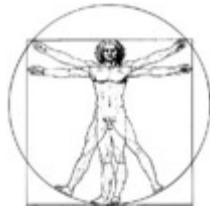
❖ 2009 DAC (OECD) = US\$114 billion; 10% = **US\$ 11 billion**

Analysis: Summary


Source	USD billion
50% of IATAL	4
50% of IMERS	2
Norwegian Proposal (average)	19
10% ODA	11
Total	36
Reminder (diff. to USD 100 billion)	64

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Public Sector Climate Finance: Status Quo




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United Nations
 Framework Convention on
 Climate Change

**Summary and recommendations
 by the Standing Committee on
 Finance on the 2016 biennial
 assessment and overview of
 climate finance flows**

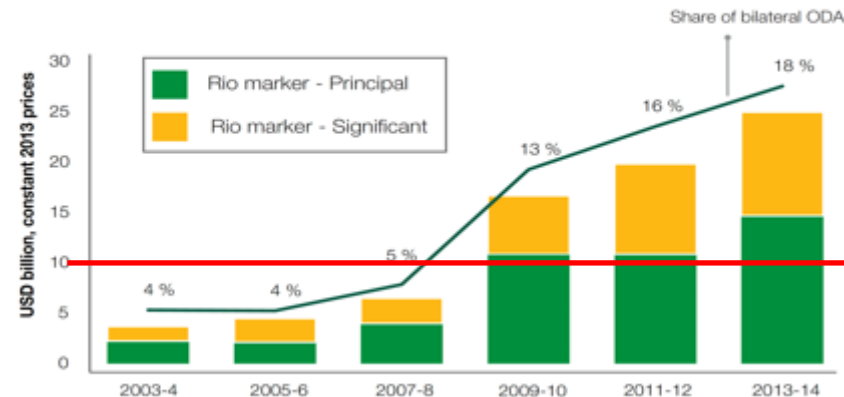
**Climate-related
 development finance in 2013-14**
 OECD Development Co-operation Directorate
 Paris, November 2015



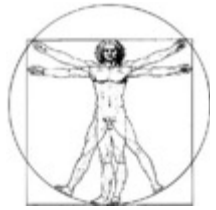
THE DEVELOPMENT ASSISTANCE COMMITTEE
 WORKING FOR IMPROVED DEVELOPMENT


2013-14 average	USD billion
Bilateral ODA (18%)	25
Other	16
Total	41

Bilateral climate-related commitments reached USD 25 billion on average per year in 2013-14, representing 18% of total bilateral Official Dev. Assistance (ODA).

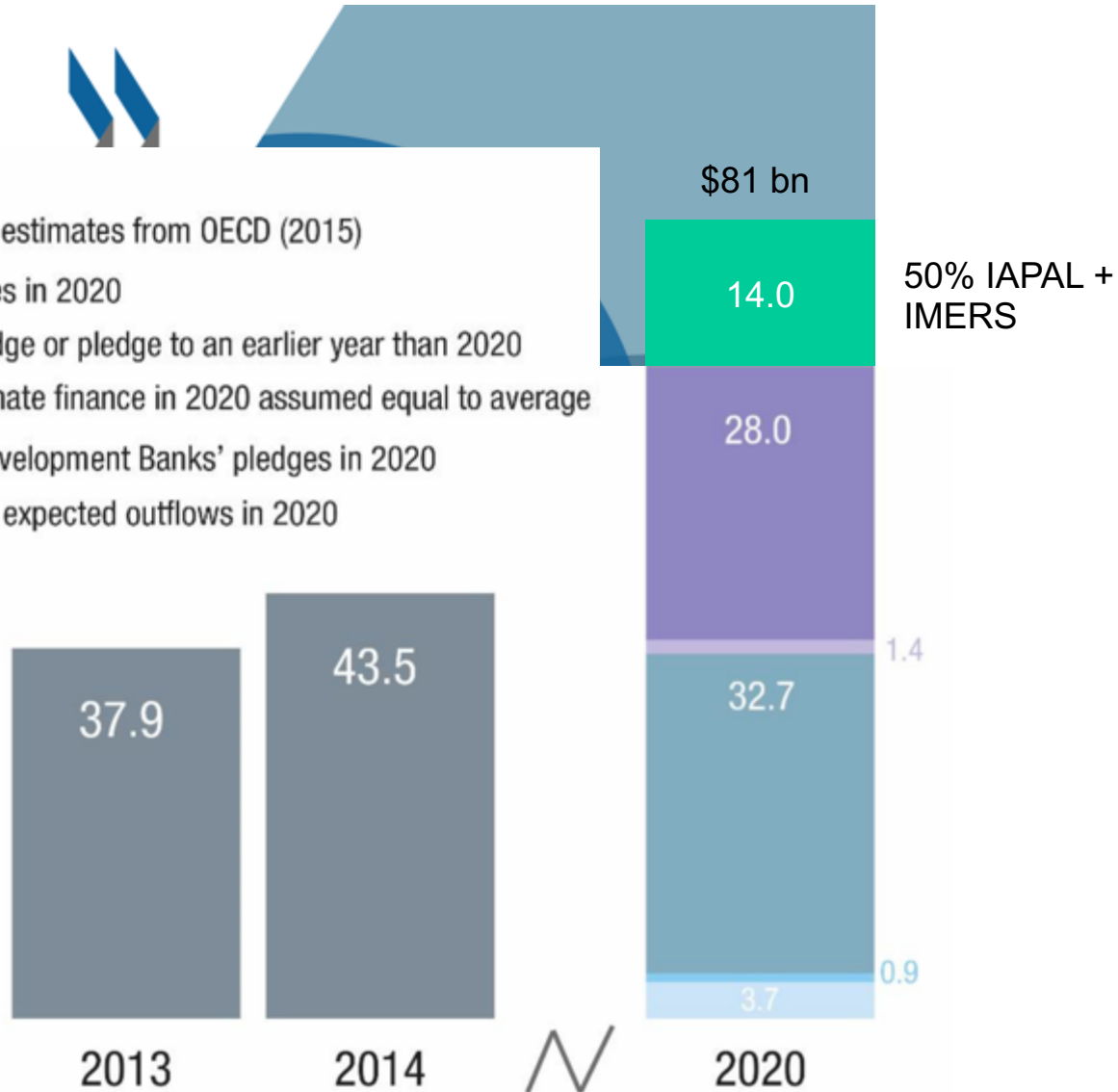


Public Sector Climate Finance: 2020

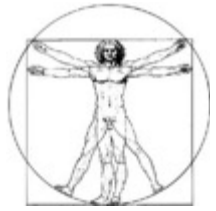


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- Public finance estimates from OECD (2015)
- Country pledges in 2020
- Multi-year pledge or pledge to an earlier year than 2020
- No pledge, climate finance in 2020 assumed equal to average
- Multilateral Development Banks' pledges in 2020
- Climate funds' expected outflows in 2020



50% IAPAL + IMERS



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Innovative Finance: Some Options

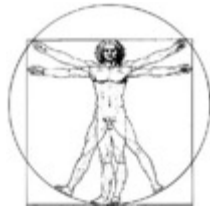
Sub-national Contributions: Quebec in Paris

In Paris it became 'chic' for sub-nationals to provide multilateral support for climate change finance.

Oxford Climate Policy – the blog



PARIS2015
CONFÉRENCE DES NATIONS UNIES
SUR LES CHANGEMENTS CLIMATIQUES
COP21·CMP11



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“Paris, 5 December: Today the *Chair of the Least Developed Countries (LDCs) Group welcomed a pledge from the Quebec government of \$ CAD 6 million to the Least Developed Countries Fund (LDCF)*. The historic and innovative pledge, made by Philippe Couillard, Premier of Quebec, in the presence of Michaëlle Jean, Secretary General of the Francophonie and Vice President Al Gore, has set a new tone for cooperation and innovative climate financing.”[LDC Group Press Release]

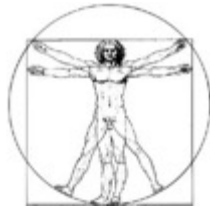


- Pledges by the city of Paris (\$1.3m) and three Belgian sub-nationals (\$17.1m) to the GCF

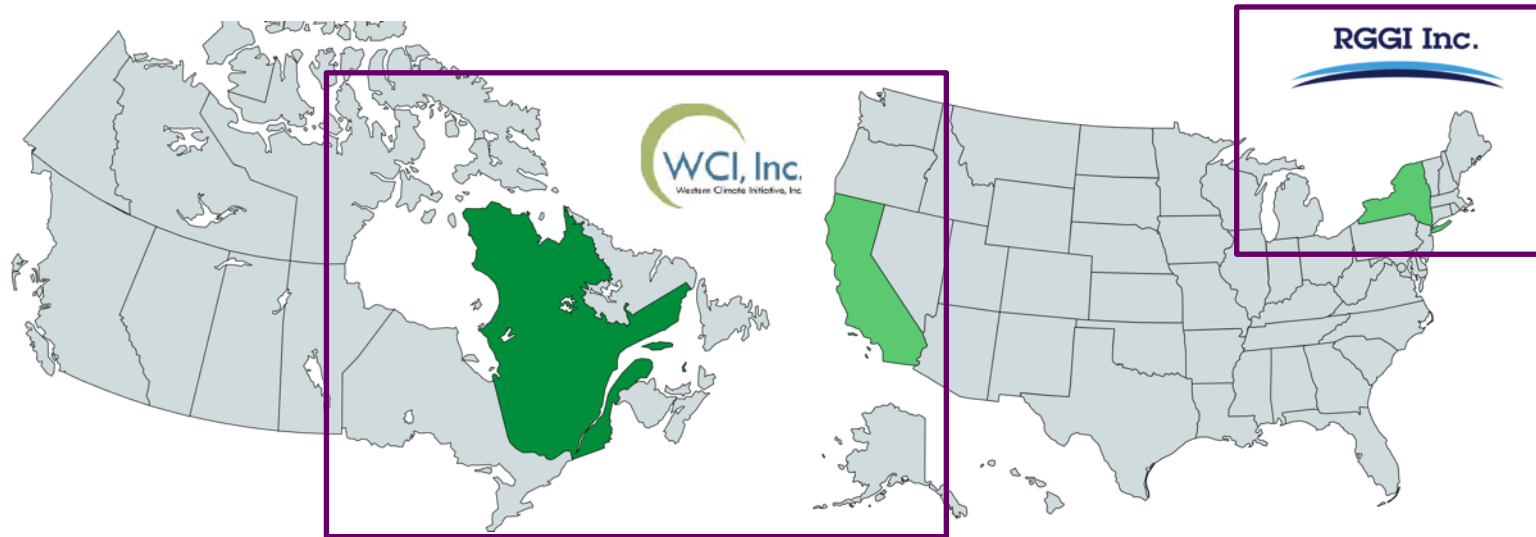
Shares of Sub-national Proceeds: The North American Potential

... Now it must become 'de rigueur'!

Oxford Climate Policy – the blog

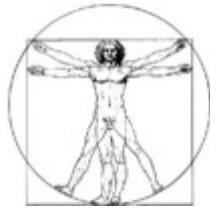


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2 percent share of proceeds	
• Quebec	\$10 million/yr
• California	\$125 million/yr

Shares of National Proceeds: European Potential



Earmarking instrument:

Earmarking under Finance Bill, for use by the National Agency for Housing

Revenues:

219.2 Million EUR (2013)



Spending items:

Domestic energy efficiency improvements in the buildings sector

International funding:

Nil

Earmarking instrument:

Portugal's Carbon Fund



Revenues:

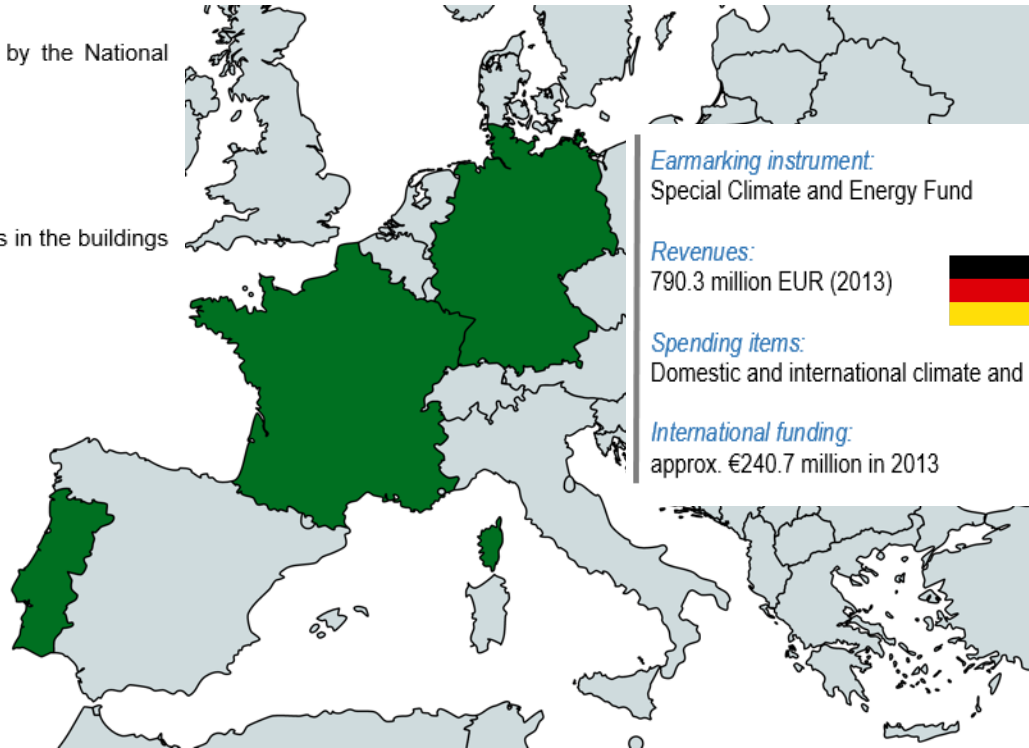
72.8 Million EUR (2013)

~ 97% spent on domestic and international climate action

Spending items:

Domestic mitigation, adaptation and R&D; and co-operation with developing countries

International funding: equivalent to 1% of total international climate finance from EU ETS; focus generally on renewable energy



Earmarking instrument:

Special Climate and Energy Fund

Revenues:

790.3 million EUR (2013)



Spending items:

Domestic and international climate and energy projects

International funding:

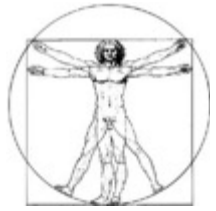
approx. €240.7 million in 2013

14.3% (€240.7) of earmarked revenue, goes to international climate and energy purposes

EU ETS auctioning revenues amounted to **€3.6 billion in 2013 and €3.2 billion in 2014**, much lower than expectations due to a dwindling carbon price. It is estimated that in phase III and phase IV auctioning revenue will on average be **between € 13.5 and € 18.8 billion per annum**

2% = €270 to €376 million

CORPORATE AIR PASSENGER SOLIDARITY PROGRAMME



A socially responsible air travel initiative to attract private sector support for climate change adaptation in developing countries

The international community and the airline sector have created the *Carbon Offsetting and Reduction Scheme for International Aviation* (CORSIA) as a tool to reduce the negative global social impacts of air travel in line with the Paris Agreement. The CAPS Programme offers a complementary tool for corporations to increase the global sustainability of their air travel activities also in line with the *UN Sustainable Development Goals* (SDGs). Both are essential for the sustainability of air travel:

"**Sustainable Air Travel** = **CORSIA** (Paris) + **CAPS** (SDGs)".

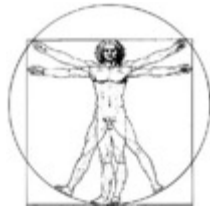
Business Rationale

The business rationale is to demonstrate SDG & Paris alignment in line with the *Call to Responsible Corporate Adaptation* of the **UN Compact's Caring4Climate** initiative:

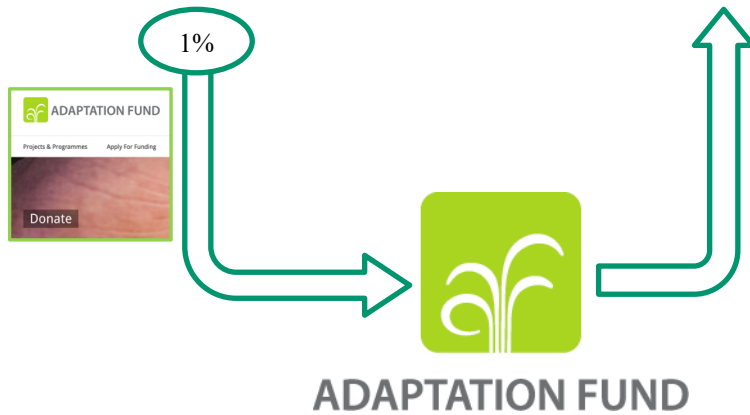
"The importance of strengthening the climate resilience and adaptive capacity of societies is prominently recognized in the 2030 Agenda on Sustainable Development, the Paris Agreement, and the Sendai Framework for Disaster Risk Reduction. Companies can play a key role in advancing these UN agreements in ways that help meet their corporate goals and benefit the communities where they operate (i.e. 'responsible corporate adaptation')."

The CAPS Programme allows companies, to play such a key role by aligning their air travel activities as part of their efforts to increase their global positive social impact.

CORPORATE AIR PASSENGER SOLIDARITY PROGRAMME

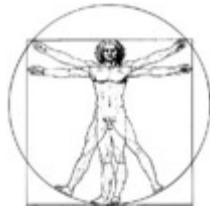


We are proposing a “fair share” contribution from each company, with donations to the UN Adaptation Fund in proportion to a small share of the corporate air travel budget (in the region of 1%). The income is expected to be mainly derived from CSR budgets.



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What Scale?



Forbes Editors' Pick New Posts +13 posts this hour

AUG 6, 2013 @ 12:10 PM 12,394 VIEWS

Business Travel Market To Surpass \$1 Trillion This Year

[f](#) [t](#) [in](#) [g](#)

Kenneth Rapoza, CONTRIBUTOR
I cover business and investing in emerging markets. [FULL BIO](#)
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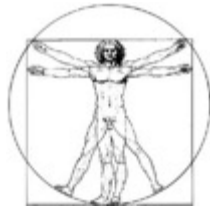
News Release

GBTA Foundation Annual Forecast Predicts Global Business Travel Spending to Hit Record High of \$1.25 Trillion in 2015

China Business Travel to Skyrocket By 61 percent Over Next 5 Years
GBTA Identifies Five Business Travel Markets of the Future

- 1 percent of corporate passengers donating (on average) 1 per cent of their ticket price would yield ***\$125 million annually***.
- 10 percent of corporates that offset air travel adopt CAPS: ***\$100 million annually***

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Thank You!