

UNFCCC & PA Finance Opportunities for LAC Countries

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Contents

- UNFCCC & Paris Agreement Financial Mechanism
- Loss & Damages
- Funds Impacts in LACs
- LACs Congresses & Parliaments
 - How to Support Countries to Obtain-Apply for Funding
 - Where-How Access to Technical Support
- Types of Attractive Projects

UNFCCC & PA Climate Financing Mechanism

- UNFCCC & PA Financial Mechanism – (Operating Entities) GEF, GCF, SCCF, LDCF, & AF (KP & PA).

The Financial Mechanism of the Convention, including its operating entities, & the Standing Committee on Finance, shall serve as the financial mechanism of this Agreement. In addition, Article 9 (PA) stipulates that the institutions serving this Agreement, including the operating entities, shall aim to ensure efficient access to financial resources through simplified approval procedures & enhanced readiness support for developing country Parties, in particular for the least developed countries & Small Island developing States, in the context of their national climate strategies & plans.

- Additional – Standing Committee on Finance (COP 16) - Long-Term Finance (COP 17)
- Bilateral, Regional & Multilateral & (National?) Channels
- Loss & Damages
- New Trust on CC Adaptation

Loss & Damages Overview

Initial technical work

Implementation of the workplan of the Executive Committee

COP 13
(2007)



Consideration of means to address L&D launched

COP 16
(2010)



Work programme on L&D established

COP 18
(2012)



Role of the COP in addressing L&D agreed

COP 19
(2013)



COP19/CMP9 UNITED NATIONS CLIMATE CHANGE CONFERENCE WARSAW 2013

Warsaw International Mechanism & its Executive Committee established

COP 20
(2014)



Workplan & organization of the Executive Committee approved

COP 21
(2015)



PARIS 2015 UN CLIMATE CHANGE CONFERENCE COP21-CMP11

Paris Agreement adopted
Establishment of a clearing house for risk transfer & a task force on displacement mandated

COP 22
(2016)



MARRAKECH COP22[2016]CMP12 UN CLIMATE CHANGE CONFERENCE

Warsaw International Mechanism reviewed

COP 23
(2017)



COP23 FIJI UN CLIMATE CHANGE CONFERENCE BONN 2017

Fiji Clearing House for Risk Transfer launched

COP 24
(2018)



COP24-KATOWICE 2018 UNITED NATIONS CLIMATE CHANGE CONFERENCE

Task Force recommendations for integrated approaches to avert, minimize & address displacement

COP 25
(2019)

Next review of the Warsaw International Mechanism

Funds Impact in LACs

LANDSCAPE OF CLIMATE FINANCE IN 2015/2016

Global climate finance flows along their life cycle in 2015 and 2016. Values are average of two years' data, in USD billions.

463 BN USD ANNUAL AVERAGE



SOURCES AND INTERMEDIARIES

Which type of organizations are sources or intermediaries of capital for climate finance?

INSTRUMENTS

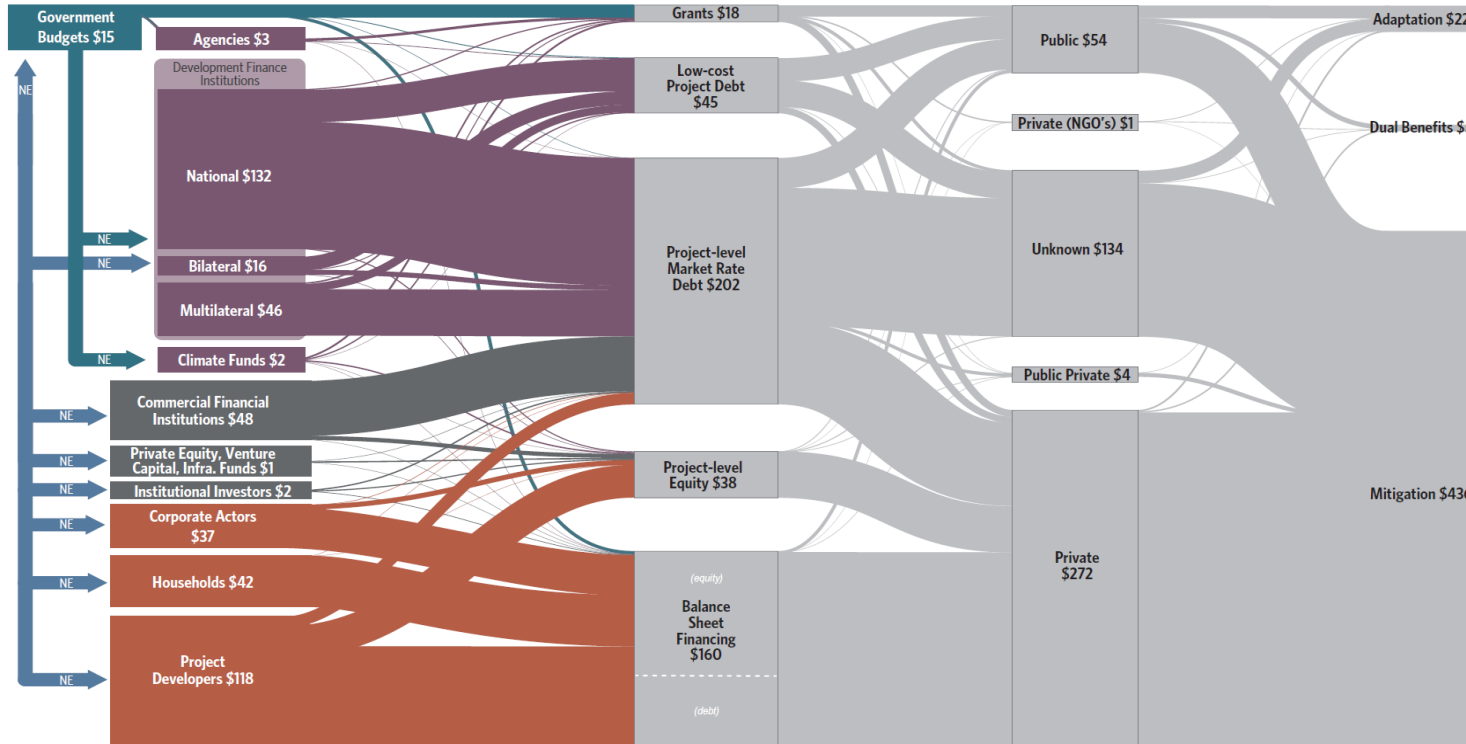
What mix of financial instruments are used?

RECIPIENTS

Does climate finance go through public or private channels?

USES

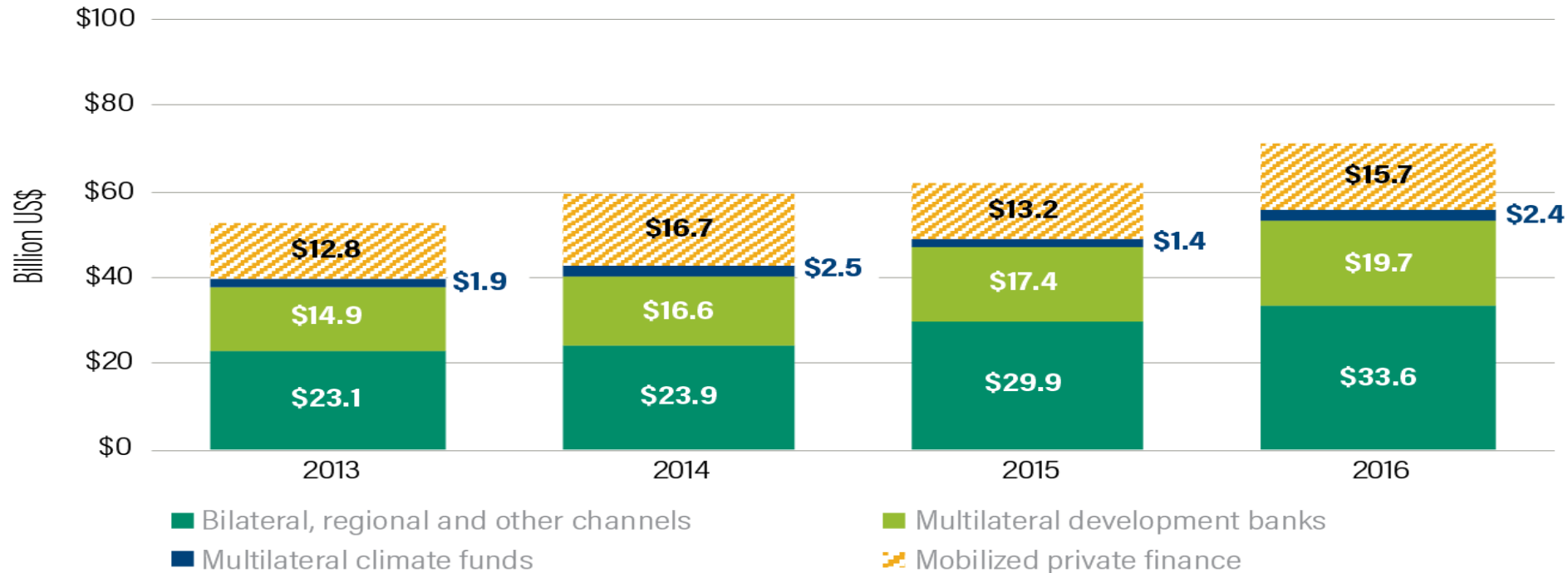
What types of activities are financed?



KEY PUBLIC MONEY PRIVATE MONEY PUBLIC FINANCIAL INTERMEDIARIES PRIVATE FINANCIAL INTERMEDIARIES FINANCE FOR INVESTORS & LEENDERS NE NOT ESTIMATED

Develop & Developing Countries Climate Finance

Developed to Developing Country Climate Finance



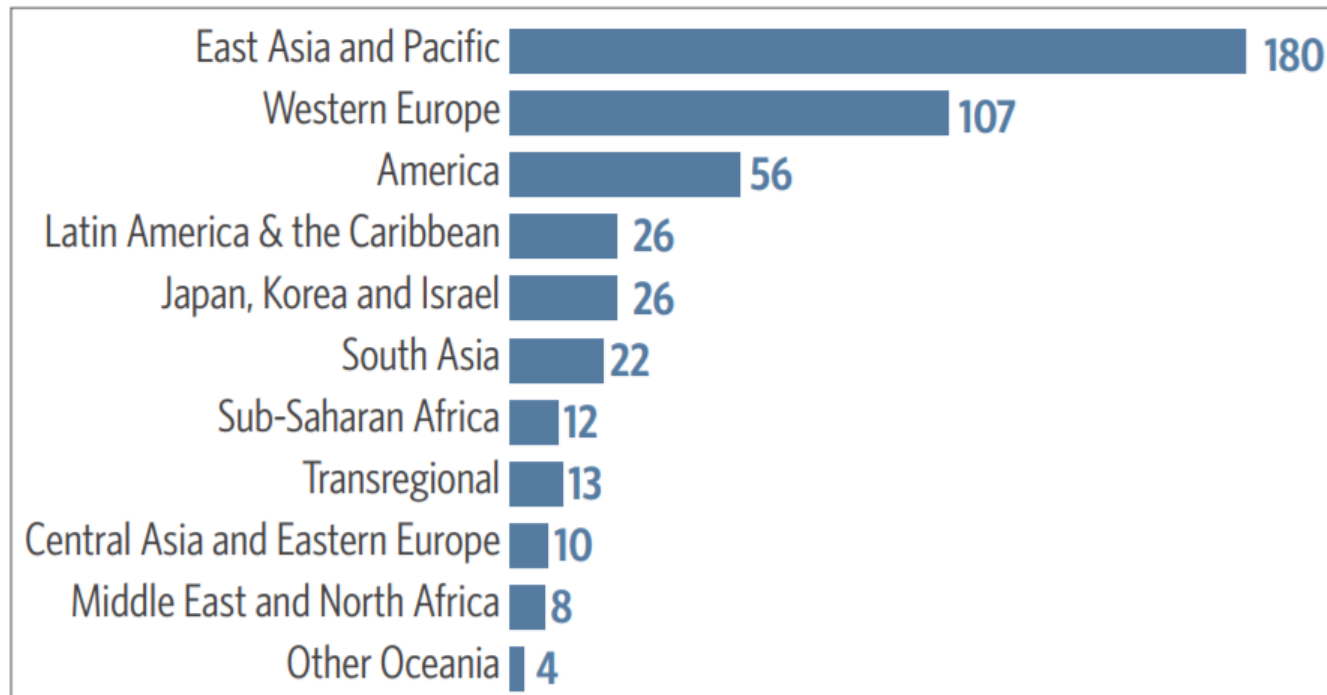
Notes: Climate finance from multilateral development banks is adjusted to account only for developed countries' share. Mobilized private finance in 2016 only includes an estimate for multilateral development banks, since an estimate for bilateral and regional institutions was not available.

Source: Compiled by WRI, based on UNFCCC Standing Committee on Finance (2016 and 2018) *Biennial Assessment and Overview of Climate Finance Flows*.

 WORLD RESOURCES INSTITUTE

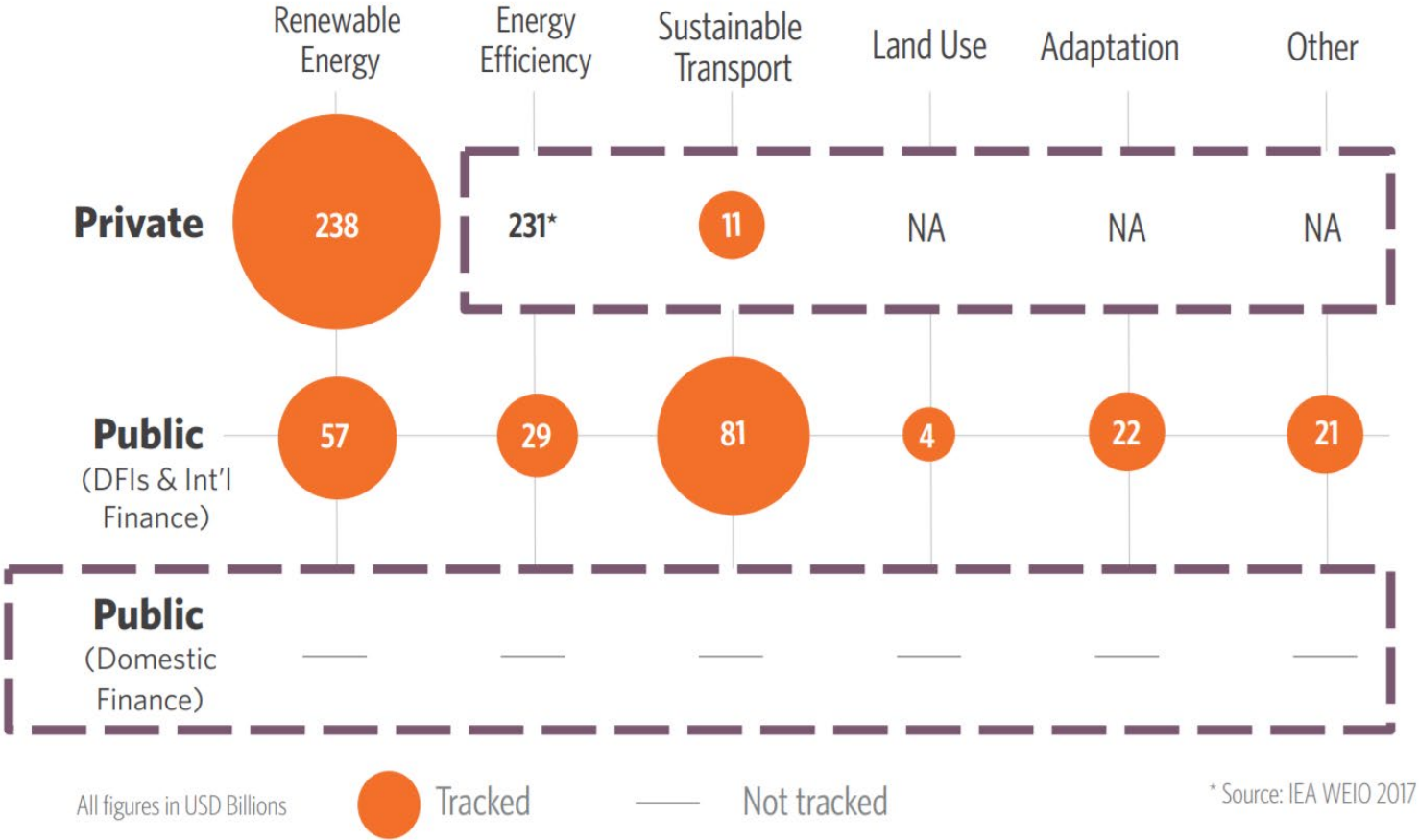
Climate Finance by Region

Figure 3: Average annual climate finance breakdown by region of destination 2015/2016



Accounting Gaps in Climate Finance

Figure 7: Accounting gaps in tracking climate finance



LACs Congress & Parliaments

Support from Parliaments

- Facilitate Support vis_a_vis Laws & Acts
- Benefit from the Climate Funds – Align their Needs with NDCs

TA for Parliaments

- Capacity Building, Readiness
- GCF, NDCP, Bilateral Cooperation

Types of Attractive Projects (Implementation)

- Depends of Funding Organization
- Currently Mitigation Projects have a Competitive Edge
- Limited Funding (amounts) for Adaptation Projects

Recommendations

- Combined Mitigation & Adaptation Focus
- Scale-up with Private Sector (loans)
- Innovative Options (Bonds, Equity, etc.)
- Explore In-country Options (Green Bonds, Carbon, Pricing, etc.)

THANK YOU

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