Topic 2:
How can CDM and other tools leverage private sector finance and make contributions to raise ambition further during post-2020?
Role of the public sector to drive private investments in climate change mitigation

- Government can show leadership by enabling the environment for private sector participation. But government doesn’t work on assumptions and presumptions. Accountability has to be taken into account, and we have to bridge this gap.
- Investing in climate change mitigation is not the top of government’s priorities, considering their limited resources.
- Private sector view, profitability issue should be addressed.
- Not just finance considerations, but also activities, for example, if complicated approval process could be addressed so that private sector participation could be encouraged.
- Non-financial issues and barriers needs to be removed.
- Not only climate change mitigation but also economics. Again, this is a case of profitability.
- Public-Private-Partnership, which is being practiced in the Philippines.
How can CDM and other tools leverage private sector finance and make contributions to raise ambition further during post-2020?

**Barriers that deter private sector investments to utilize CDM and other tools**

- Transaction costs of CDM
- Barriers usually encountered in the local government units participation. Should be involved more
- Market pricing barrier
- Uncertainty in current market mechanisms as part of post 2020.
- For private sector, it should be a business case.
How can CDM and other tools leverage private sector finance and make contributions to raise ambition further during post-2020?

### Other types of financing that can complement CDM and other tools in scaling up private investment

- Bilateral financing, like the Joint Crediting Mechanism.
- Important question raised: will there still be CDM post 2020?
- Identified projects under CDM that have passed rigorous criteria could be brought on board through GFC for example, for financing.
- If ISO 14065 can be combined with CDM.
- DNA View: asked to participate in CDM, do standardized baseline, but later, asked to put it aside and use only a part of it and consider something else within GCF. This causes loss of trust. Use CDM instead.
- Green bonds. – even though it is still at an early stage, why is the public sector not showing interest in it?
- Establishment of local carbon funds (e.g., Thailand is now considering)
- Green bonds and results based finance could be explored
- Accelerate the CDM reforms before 2020, further addressing issues, such as reducing complexity, etc.
- Emission trading schemes, and linkages.
- INDCs – when we do have them, we should act on them.
- **Delivery of climate finance under GCF is pre-requisite to the deal in Paris.**