



Latin American and Caribbean Regional Workshop on Carbon Finance

Location:	Santiago, Chile	Venue:	ECLAC
Date:	7 – 8 September 2015	Languages:	English and Spanish

1. The climate imperative

The international negotiations under the UNFCCC are at a few months away from a historical moment, with Parties determined to agree on a new global climate change agreement in December in Paris, at COP 21. The new agreement will define the global response to climate change in the post-2020 period, seeking to hold the increase in global average temperature below 2°C above pre-industrial levels.

Nevertheless, the challenge before 2020 still remains. Robust and effective action on mitigation will not only reflect the urgency of acting now to mitigate climate change, it will also strengthen confidence among Parties and build the foundation for even greater action after 2020.

Understanding the potential economic impacts of climate change in the Latin America and Caribbean (LAC) context is essential to explore and identify best mitigation actions and climate finance options for developing strategic national plans. It is also essential that these tools of support are attuned to the needs of LAC and the areas of greatest potential on the region to ensure a sustained, low-carbon and resilient development.

The workshop will therefore focus on the key opportunities for LAC countries to develop along a low-carbon, resilient pathway and the tools that are already available and can be put to use now. In addition the event will be an opportunity to explore different ways to access carbon finance from an institutional framework point of view. These tools include both traditional and new uses of the clean development mechanism (CDM) and climate finance tools to support countries in establishing a domestic carbon trading scheme, developing nationally appropriate mitigation actions (NAMAs), accessing technology transfer and achieving climate finance readiness.

The workshop will then hand over to the Latin America and Caribbean Forum, with an even longer term focus on how to utilize the opportunities for sustained development through new incentives and tools of support that can be integrated within the new climate agreement for the post-2020 period.

2. Objectives of the workshop

The workshop will contribute to the debate on how Latin America and Caribbean countries can actively steer now towards a low-carbon, resilient development pathway and will identify and explore the tools already available internationally for supporting these efforts.

To achieve this, the workshop will:

- Bring delegates up-to-date on the status of the climate change negotiations providing updates on the ADP process for enhanced actions to increase mitigation ambitions.
- Present an overview, share experiences and challenges in preparing INDCs in LAC.
- Explore the roles that CDM could play as a tool combined with other national and international instruments and national policies to facilitate climate action and low carbon development.
- Discuss the potential role of carbon pricing tools to incentivize mitigation actions.
- Understand the concept and options available regarding result based finance.
- Explore how to access the different sources of finance.
- Overview of available programs for supporting countries in their path to climate finance readiness.
- Facilitate a round table discussion on the future carbon market expectations in LAC from the Parties point of view.

3. Target participants

The workshop will bring together participants from CDM designated national authorities and other LAC government representatives, experts from multilateral and bilateral cooperation and research organizations, the private sector, and LAC and global financial institutions.

Day 1 - Monday, 07 September

08:30 - 09:00 **Registration**

09:00 - 09:30 **Opening**

Welcome remarks
Welcome remarks
Welcome remarks
Introduction of the workshop

Plenary room:

09:30 - 12:30

Plenary 1 **State of Play: CDM and Market Mechanisms**

Plenary room: Celso Furtado

A critical climate change conference will be held in Paris in December, aimed at reaching a global legally binding agreement or an outcome which will trigger mitigation actions post-2020. This session will provide an update on the international negotiation status, in particular the role of markets and CDM and opportunities offered by this mechanism to contribute to the post 2020 mitigation actions, while contributing to the closure of the pre-2020 gap.

Moderator:

09:30 - 09:45 Brief update of ADP process for enhanced actions to increase mitigation ambitions
09:45 – 10:00 State of play of the CDM
10:00 – 10:15 Experiences from the African countries negotiation strategy
10:15 - 10:30 Latin America and Caribbean negotiations position
10:30 – 10:45 Potential of the CDM in closing the pre-2020 gap and enhancing the post 2020 ambition
10:45 – 11:00 Discussion

11:00 – 11:15

Coffee break

11:15 – 12:30

Plenary 2 **Understanding INDC: Challenges and Opportunities**

Plenary room: Celso Furtado

Intended Nationally Determined Contributions are post-2020 contributions that Parties will make towards achieving the objective of the Convention under the 2015 agreement. INDCs represent a bottom-up approach to addressing climate change in the context of national development priorities, circumstances and capabilities. Parties are expected to submit their INDCs well in advance of the Paris Conference. This session will provide Parties with the opportunity to share their experiences and approaches in preparing their contributions and identify solutions to challenges being encountered.

Moderator:

11:15 - 11:30 Setting the scene on INDCs: overview, experiences and challenges in preparing INDCs
11:30 - 11:45 Recent country progress on INDC submissions: Latin America and Caribbean
11:45 - 12:00 How can post-2020 ambition be incentivized through INDCs and how markets can play a role in the context of LAC
12:00 – 12:30 Discussion

12:30 – 14:00

Lunch Break & DSA disbursement

14:00 - 15:30	Plenary 3 Policy Instruments for Mitigation Actions	Plenary room: Celso Furtado
---------------	--	------------------------------------

This session will highlight the current developments and prospects that can be used to scale up different mitigation actions such as domestic markets and tax incentives, including the use of CDM as a complementary instrument to national climate-related policies of host countries in LAC and implementations on the ground.

Moderator:

- | | |
|---------------|---|
| 14:00 – 14:15 | Current domestic mitigation incentives implemented and under development using CDM and carbon taxes |
| 14:15 – 14:30 | How the Emissions Trading Scheme in Mexico operates |
| 14:30 – 14:45 | Pros and cons of carbon pricing: tax vs. market mechanisms |
| 14:45 – 15:00 | How mitigating actions can be measured and compared through the use of CDM |
| 15:00 – 15:15 | Linking market mechanisms and climate finance |
| 15:15 – 15:30 | Discussion |

15:30 – 15:45	Coffee break
---------------	---------------------

15:45 - 17:00	Plenary 4 Result Based Finance	Plenary room: Celso Furtado
---------------	---	------------------------------------

Result-based finance is one of the first options in the horizon that can easily achieve short-term climate impact. Over the last decade, the CDM has delivered mitigation outcomes beyond expectations and leveraged a huge amount of private sector investment, built capacity and know how. This session will engage experts to discuss and share experience on the use of the CDM as an RBF instrument and enabling measures that would facilitate this use.

Moderator:

- | | |
|---------------|---|
| 15:45 – 16:00 | Trends of result based finance: How it can support in achieving short term climate impact |
| 16:00 – 16:15 | Carbon-linked performance payments and the Carbon Initiative for Development (Ci-DEV). |
| 16:15 – 16:30 | The Green Bonds Initiative: mobilizing the bond market for climate change solutions |
| 16:30 – 17:00 | Discussion |

Day 2 - Tuesday, 08 September		
--------------------------------------	--	--

09:00 - 10:45	Plenary 5 International Mitigation Funds and Support	Plenary room: Celso Furtado
---------------	---	------------------------------------

Parties have expressed the need to move forward from the identification of opportunities to the implementation of actions with regards to unlocking mitigation potential. This session will show a variety of financing streams and funds that can assist countries in prompting high potential mitigation actions domestically and the funds available in the region.

Moderator:

- | | |
|---------------|---|
| 09:00 – 09:15 | Key actors in climate finance in Latin America and Caribbean |
| 09:30 - 09:45 | Local Developing Agencies investment strategies |
| 09:45 – 10:00 | Green Climate Fund - Overview of finance opportunities to unlock mitigation actions |
| 10:00 – 10:15 | The Nordic Environment Finance Corporation: an instrument for purchasing greenhouse gas emission reductions under the CDM |
| 10:15 - 10:30 | Introduction to the Voluntary Cancellation Tool |
| 10:30 – 10:45 | Discussion |

10:45 – 11:00 **Coffee break**

11:00 – 12:30 **Plenary 6** **Plenary room: Celso Furtado**
Climate Finance Readiness

Under the UNFCCC and elsewhere, funds and financial opportunities related to climate change are bursting. Developing countries should therefore strengthen capacities associated with climate finance readiness especially at the institutional level to attract and increase flows. Planning and improving management of adaptation and mitigation financing from both the public and private sectors is essential at this stage to guarantee the funding flow. This session provides unique opportunity for participants to explore the programs available for supporting countries in their path to climate finance readiness.

Moderator:

- 11:00 - 11:20 Institutional requirements overview (GCF, CIF, GEF)
- 11:20 - 11:40 Challenges and prospects from a GCF accredited agency
- 11:40 - 11:50 How the CDM infrastructure can support the GCF implementation and quick start: overview of potential funding models
- 11:50 – 12:30 Discussion

12:30 – 14:00 **Lunch Break & DSA disbursement**

14:00 - 15:45 **Break-out discussion:** **Plenary room: Celso Furtado**
Future Carbon Market Expectations

The objective of the session will be to discuss how CDM and market mechanisms can contribute to future climate regime with particular focus to Latin America and Caribbean. This is an interactive session where the participants are divided in 6 groups. Each group will be tasked to discuss topics mentioned below under the guidance of a group facilitator. At the end of such discussions, the session moderator will lead a joint session wherein assigned group facilitators will report back views and suggestions on the discussed topic from their respective groups. This exercise is expected to bring out some key messages which can be taken up by the involved stakeholders.

Proposed topics for breakout group discussions:

- Topic 1:** How can CDM and other tools leverage private sector finance and make contributions to reducing pre -2020 gap?
- Topic 2:** How can CDM and other tools leverage private sector finance and make contributions to raise ambition further during post-2020?
- Topic 3:** How to recognize transferred mitigation outcomes towards country contributions for post-2020?

Time	Room: Celso Furtado	Room: Celso Furtad	Room: Celso Furtad	Room: Aula 2	Room: Aula 2	Room: Aula 2
Topic 1 14:15 - 14:45	Group 1 Facilitator 1:	Group 2 Facilitator 2:	Group 3 Facilitator 3:	Group 4 Facilitator 4:	Group 5 Facilitator 5:	Group 6 Facilitator 6:
Topic 2 14:45- 15:15	Group 1 Facilitator 2:	Group 2 Facilitator 3:	Group 3 Facilitator 1:	Group 4 Facilitator 5:	Group 5 Facilitator 6:	Group 6 Facilitator 4:
Topic 3 15:15- 15:45	Group 1 Facilitator 3:	Group 2 Facilitator 1:	Group 3 Facilitator 2:	Group 4 Facilitator 6:	Group 5 Facilitator 4:	Group 6 Facilitator 5:

* Summary of discussions in the breakout sessions will be presented by assigned facilitators in the last session.

15:45 – 16:00 **Coffee break**

16:00 - 16:30	Break-out Reporting: Outcome of Breakout groups	Plenary room: Celso Furtado
---------------	--	------------------------------------

This session will bring together assigned group facilitators to report back the views and suggestions on the discussed topics during the Breakout Session.

- Topic 1
- Topic 2
- Topic 3

16:30 - 17:45	Round Table: Way Forward and road to Paris	Plenary room: Celso Furtado
---------------	---	------------------------------------

Many countries have submitted INDCs and UNFCCC Secretariat would be aggregating all the submitted INDCs in the form of synthesis report prior to Paris conference. The submitted INDCs would provide views of parties on how they plan to take actions to contain climate change post-2020. Efforts are being made to unlock pre-2020 ambition and to take early action as per ADP work stream 2, including the technical examination process, to contain the pre-2020 gap. Building upon the breakout session, this panel discussion would focus on how to utilize the potential of CDM and capitalize on existing tools, including CDM, and experience to tackle more effectively and rapidly the challenges of addressing climate change mitigation as we move towards new climate regime.

Moderator:

- | | |
|---------------|---|
| 16:30 – 16:40 | Views of UNFCCC Secretariat |
| 16:40 - 16:50 | Views of Private Financing Institutions |
| 16:50 - 17:00 | Views of Private Sector |
| 17:00 - 17:10 | Views of DNAs |
| 17:10 - 17:20 | Views from the World Bank |

17:20 – 17:45 Discussion

17:45 - 18:00	Closing	Plenary room: Celso Furtado
---------------	----------------	------------------------------------

- Closing message
- Closing message and ACF Announcement