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**Technology and Finance in the
UNFCCC – Status before COP 15**



The five elements of the Bali Action Plan

1. Shared vision for long-term cooperative action
2. Enhanced action on mitigation
3. Enhanced action on adaptation
4. Enhanced action on technology development and transfer
5. Enhanced action on the provision of financial resources and investment

The political essentials for Copenhagen

1. Clarity on developed country commitments (mid-term targets for reducing their greenhouse gas emissions)
2. Clarity on developing countries nationally appropriate mitigation actions (NAMAs), including for reducing emissions from deforestation and forest degradation
3. Clarity on financial and other support to cover both mitigation actions and the adaptation to the impacts of climate change in developing countries, especially in the most vulnerable nations.
4. Clarity on the institutional setup and on the governance structure to channel financial and other support to developing countries

Financing Needs: Mitigation

Estimates of Investment Needs for Mitigation

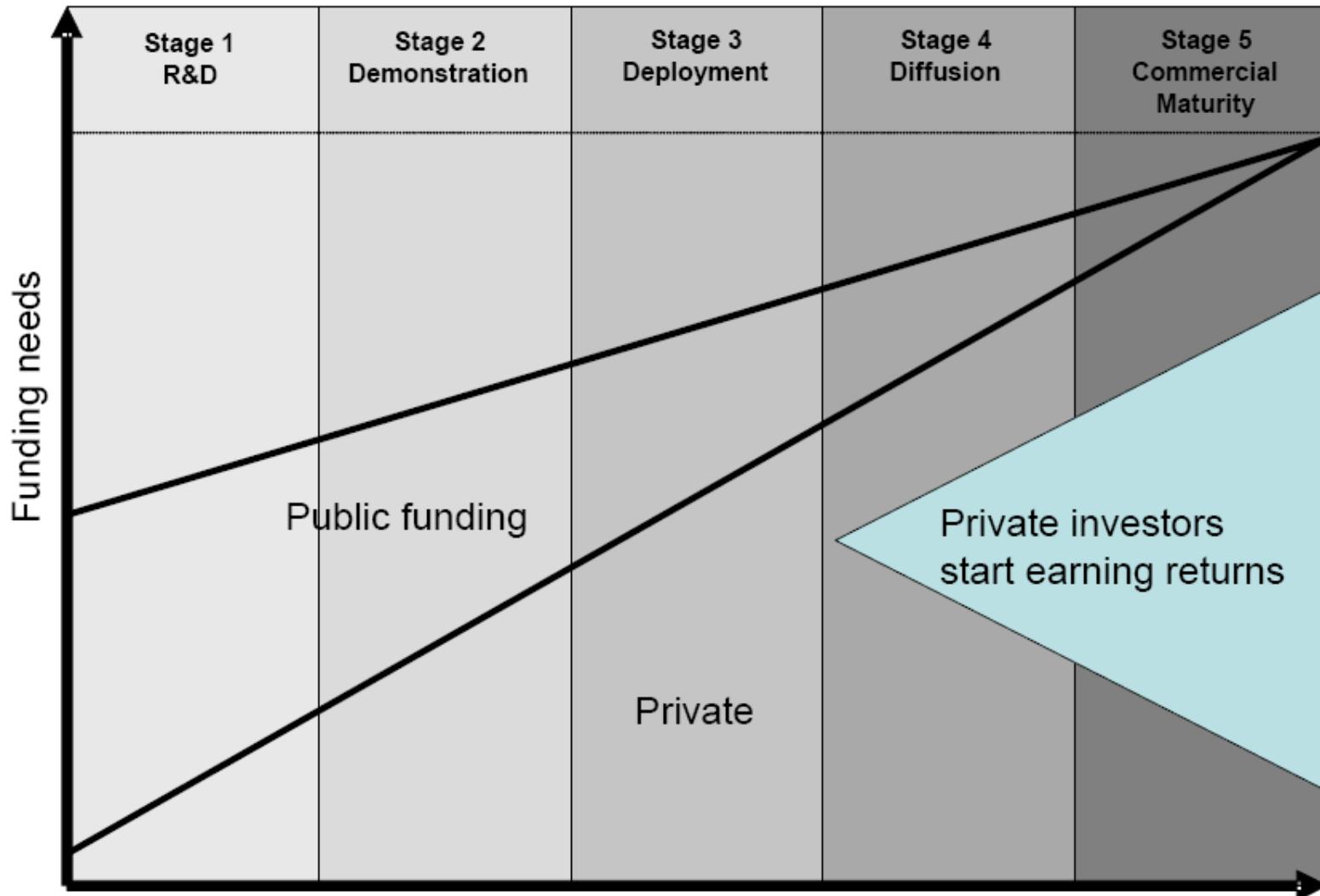
Source	Target	Global Estimate (US\$ bln/yr)		Developing Countries (US\$ bln/yr)	
		2010-2020	2020-2030	2010-2020	2020-2030
UNFCCC (2007, rev. 2008)	550 ppm		200 to 210 (in 2030)		88-90 (in 2030)
IEA World Energy Outlook (12/2008)	550 ppm	115	270	80 (avg. 2010-30)	
	450 ppm	115	800	220 (avg. 2010-30)	
IEA Energy Technology Perspectives (06/2008)	550 ppm	380	380	230 (avg. 2005-50)	
	450 ppm	750	900	590 (avg. 2005-50)	
McKinsey (01/2009)	450 ppm	530	830	290	510

Financing Needs: Adaptation

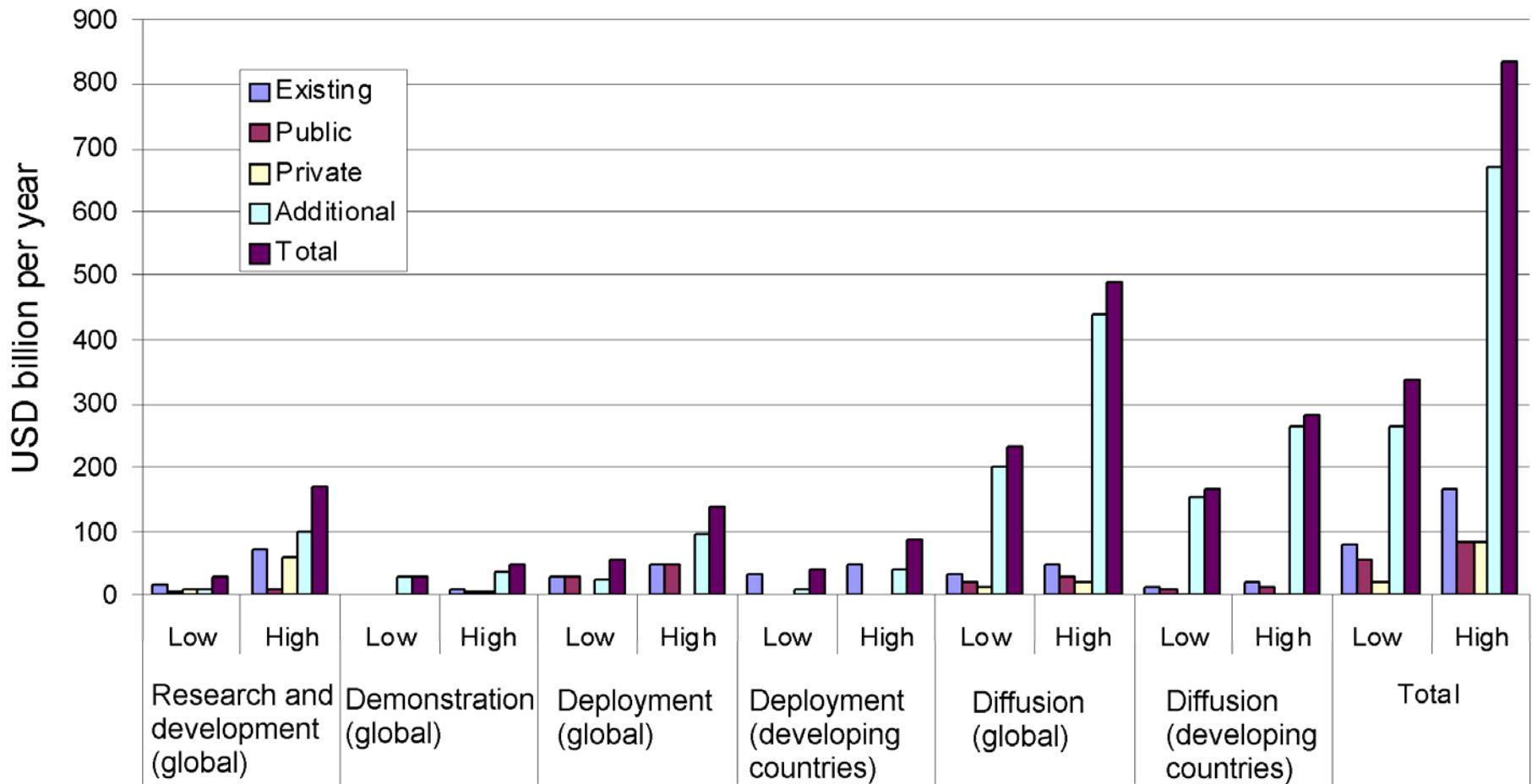
Estimates of Costs and Investment Requirements for Adaptation in Developing Countries

Source	Estimate (US\$ bln/yr)	Comments
World Bank (CEIF) as revised by the Stern Review (2006)	4–37	Investment to “climate proof” all adaptation-related activities in developing countries
IPCC (2007)		No new estimates, but argue that most studies show a high benefit-cost ratio for adaptive actions
Oxfam (2007)	8–33	Costs of immediate priorities similar to those in national adaptation programs of action (NAPAs) applied to all developing countries
UNFCCC (2007)	28–67 (in 2030)	Investment needs for adaptation activities in developing countries in 2030—all sectors, private and public
UNDP: HDR 2007–08 (2008)	86 (in 2016)	“New and additional” finance for adaptation through transfers from rich to poor by 2016 to protect progress toward the MDGs and prevent post–2015 reversals in human development

Role of public and private sectors in technology finance



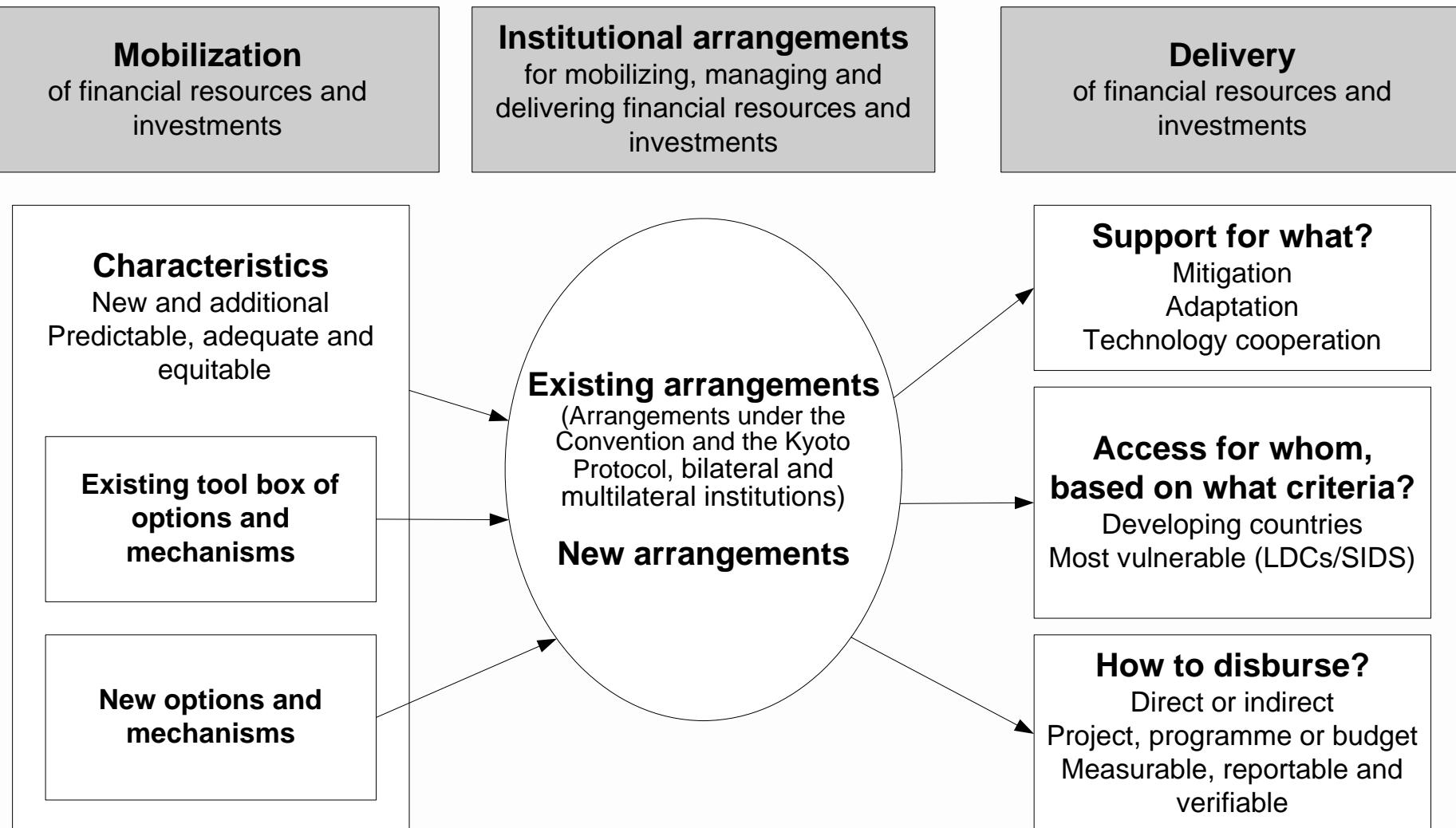
Financing needs for mitigation technologies



Status of funds in and outside the Convention

Funds	Amount	Support for ...
GEF – Climate focal area (4 th replenishment period 2006-2010)	USD 1 Billion	Climate change activities
Special Climate Change Fund (SCCF)	USD 91M – 113M	Technology transfer, energy efficiency, economic diversification, capacity-building
Least Developed Countries Fund (LDCF)	USD 172M - 77M	National Adaptation Programmes of Actions (NAPAs)
Adaptation Fund (Kyoto Protocol)	Estimates: Total of USD 400M – 1.5B	Adaptation activities in developing countries
World Bank Climate Investment Fund	USD 5 billion	Climate change, technology, adaptation, REDD

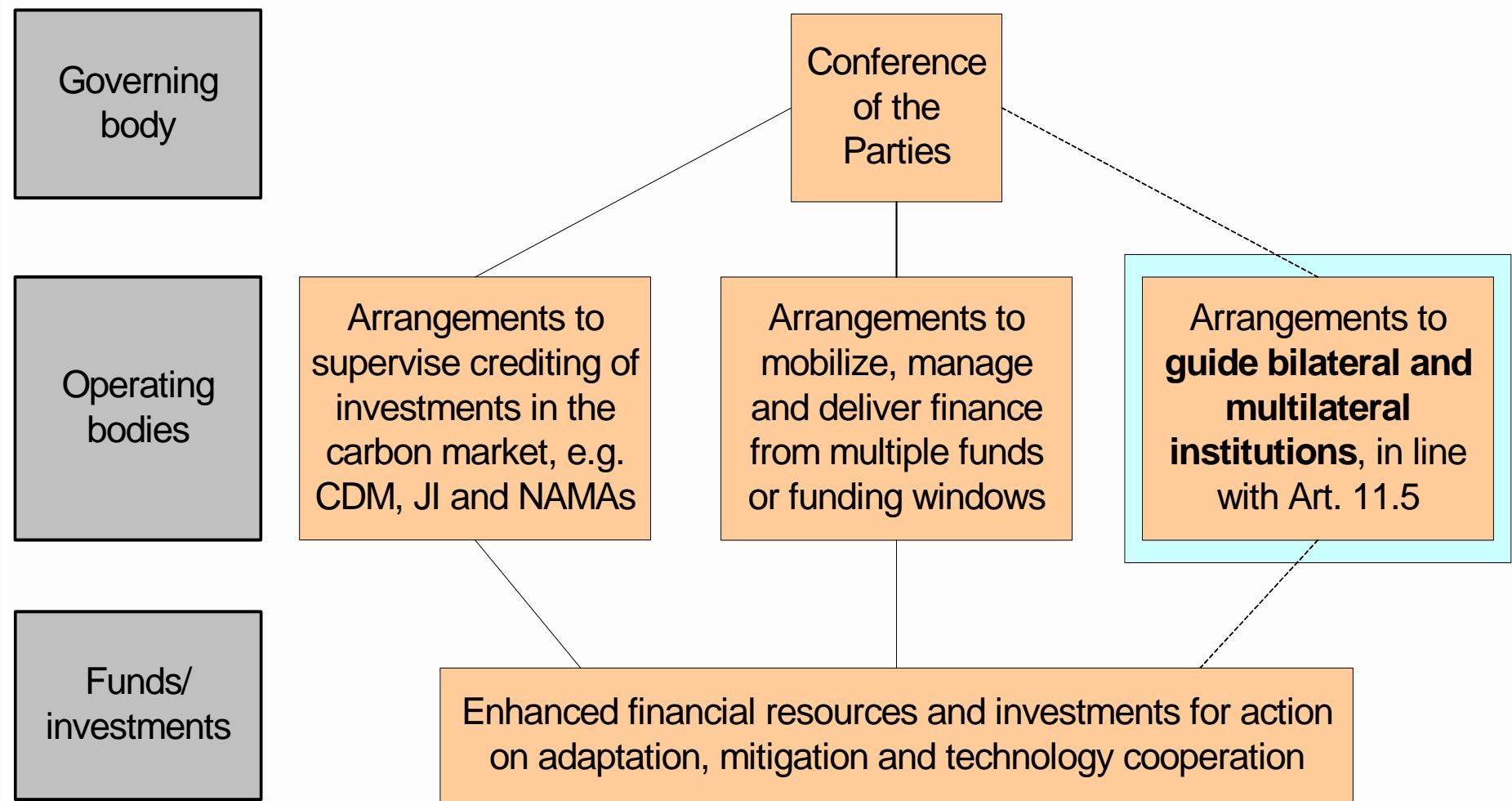
Possible elements of a post-2012 financial framework



Proposals for mobilization of financial resources

- **Mobilization under the Convention through:**
 - Enhancing scale of existing mechanisms, e.g. Bangladesh's proposal of increasing share of proceeds from CDM
 - Defined budgetary contributions from developed countries, e.g. G-77 & China proposal of 0.5-1% of GNP
 - Market-based mechanisms and taxation of commodities, e.g. Swiss proposal of taxing carbon dioxide or Norwegian proposal to auction emission allowances
- **Mobilization influenced by the Convention through:**
 - Defined budgetary contributions or market-based mechanisms / taxation of commodities applied at the national level, e.g. proposal to auction 100 % of EU ETS allowances from 2013 onwards

Possible institutional arrangements



Copenhagen as an opportunity for low-emission climate-resilient development

- Linking national appropriate mitigation actions (NAMAs) in developing countries to low-emission development strategies
- Linking national adaptation plans to climate-resilient development
- Technology action plans as a tool to identify priority technology options (adaptation and mitigation) and resource needs for developing countries
- Technology road maps to identify priority research and development needs that should be addressed to joint R&D activities

The year ahead ...

Dates & Venue	Event
1 – 12 June Bonn	UN Climate Change Talks Formal sessions: AWG-LCA 6, AWG-KP 8, SBI 30, and SBSTA 30
10 – 14 August Bonn	UN Climate Change Talks Informal meetings of AWG-LCA and AWG-KP
22 September New York	High Level Event on Climate Change at UN General Assembly
28 Sept. - 9 Oct. Bangkok	UN Climate Change Talks Formal sessions: AWG-LCA 7 and AWG-KP 9
2 to 6 Nov. Location tbd.	UN Climate Change Talks Resumed formal sessions: AWG-LCA 7 and AWG-KP 9
7-18 Dec. Copenhagen	Climate Change Conference Formal sessions: COP 15, COP/MOP 5 and AWG-LCA, AWG-KP, SBI, SBSTA

Time is running!

