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Financing Development and Climate



Aim of Dialogue Workshop

- Explore positive aspects of development and climate interaction
- New ideas on financing climate friendly development pathways
- Highlight work being done on this area through:
 - macro and micro perspectives
 - public and private perspective
- Identify possibilities for (inter)national policy making that help financing integrated development and climate strategies

General Findings

- Integrate finance with improving other key enabling factors (weakest link)
- Finance in the context of sustainable policies and markets
- Start the analysis from the real world situation
- Understand how the various actors (incl business) are working

National policy: attracting private capital

- Banding together various private players, to reduce risk
- Inform investors about CC and risks/ opportunities
- Coherent legal system)
- Remove barriers to investment in Environmentally Sound Technologies (capacity, enabling environment)

National policy: freeing public capital/ improving quality of public investment

- Better handle public investments
- National or sub-regional development banks
- Dedicated environmental charges/ levies and full cost pricing
- Subsidy reforms
- Institutional capacity critical

ODA

- ODA is important for some countries, not for others.
- ODA is heavily influenced by strategic donor considerations
- From Project to Budget based aid:
 - specific targets (on investment,
 - capacity building
 - effectiveness of ODA depends on : poverty, absorptive capacity, governance

Next Steps

- Feed back to Energy for Development conference Netherlands
- Feed back to country studies
- Feed into international discussions (OECD, UNEP/GEO, IPCC, UNFCCC, CSD Energy & Climate 2006-2007,.....)