

Proceedings of the Climate Finance Workshop (15/05/2013)

1. Introduction & background

Organized by the Climate Change Service of the FPS Health, Food Chain Safety & Environment at the initiative of the State Secretary for Environment, Energy and Mobility and State Secretary for Institutional Reforms Melchior Wathelet, this workshop aimed at exploring and discussing Belgium's contribution to international climate finance post-2012 during a morning of presentations and debates. The event gathered about sixty people coming from the civil society and the various Belgian administrations, some political representatives, and some journalists.

Agenda of the event¹ :

- **Introduction Speech:** Pr. Dries Lesage (Ghent University)
- **Welcoming Speech:** H.E. Melchior Wathelet (State Secretary)
- **Context and future prospects for international climate finance:** Jane Wilkinson (Climate Policy Initiative)
- **European context and initiatives on ICF:** Mette Quinn (DG CLIMA, EC)
- **The Belgian experience with climate finance:** Peter Wittoeck (FPS HFCSE)
- **Belgiums contribution to climate finance post-2012:** Pr. Marc Pallemarts (IEEP)
- **Case study: the German Energy and Climate Fund:** Jan Kowalzig (Oxfam Germany)
- **Panel debate with the civil society²:**
 - a) Bogdan Vanden Berghe: Secretary General of 11.11.11
 - b) Michel Genet: Director of Greenpeace Belgium
 - c) Daniel Van Daele: Secretary General of the General Federation of Belgian Labour (ABVV/FGTB)

¹ The presentations and speeches made during the workshop are available on the website of the FPS HFCSE : http://www.climat.be/spip.php?article862&id_mot=26

² The Belgian Federation of Enterprises was invited, as panellist, but was not in a position to participate.

2. Key messages

International climate finance

- **Melchior Wathelet** opened the debates by reminding the broadly-accepted fact that international climate finance (ICF) is crucial for (i) mitigating our impact on and adapting to climate change as well as for (ii) facilitating the international negotiations process;
- **Dries Lesage** explained that given the current financial crisis, creative ideas and solutions (such as a tax on airline tickets, revenues from the ETS or a carbon tax developed in a study led by IEEP for the FPS HFCSE) for leveraging finance will be necessary. He also urged to see the crisis as an opportunity to implement innovative sources of financing and not as an excuse to be inactive;
- **All speakers** recognized that the revenues from the auctioning of EU allowances are tightly linked to ICF. **The IEEP-study** calculated that with a price of 30 € per EUA, Belgium could leverage an average 755 million € per year for 2013-2020 (378 million € with a price of 15 €).³ The study also estimated that a carbon tax in the non-ETS sector could leverage 67-525 million € and a tax on airline tickets 25-493 million €;
- Both **Jane Wilkinson** and **Jan Kowalzig** reminded that while it is important to mobilise private finance, there is a role for public finance in leveraging private finance through removing barriers and lowering risks, and for adaptation finance in vulnerable countries.

Belgium's contribution to ICF

- **Peter Wittoeck** explained that with regard to Fast Start Finance (FSF), Belgium financed some high quality projects, but did not achieve in meeting its 150 million € pledge. **Melchior Wathelet** deplored this situation and emphasized that this impacts profoundly our credibility on the international stage. All civil society panelists (**Daniel Van Daele, Bogdan Vanden Berghe, Michel Genet**) demanded to solve this issue as soon as possible and imperatively before the next COP (end of November 2013);
- **Peter Wittoeck** reminded that for the period 2013-2015, Belgium agreed the decision in Doha asking developed country Parties to provide funds for ICF at least at the level of the FSF phase (for Belgium, this would mean providing a minimum of 50 million € per year);
- **The IEEP-study** suggests that Belgium's fair contribution to ICF from 2020 onwards could amount to 126-542 million US\$ per year.

³ However, the representative of IEEP noted that the carbon price dropped significantly since the study was finalised.

Ideas from the Panel debate

- Both the presenters and the audience agreed that Belgium needs a burden-sharing agreement regarding ICF.
- **Bogdan Vanden Berghe** and **Michel Genet** reminded the audience that there is important public support for climate action (cf: Sing for the Climate Campaign mobilized 380,000 people in 2012). They also underlined that proposals exist regarding ICF and that what Belgium needs is political action;
- **Daniel Van Daele** and **Bogdan Vanden Berghe** proposed that for the next COP, Belgium develops its pathway towards 2020 ICF with commitments increasing year by year until 2020, decides to use ETS revenues for climate finance and fights for a reform of the ETS market;
- **Jan Kowalzig** depicted the German Special Energy and Climate Fund as an appealing initiative. Such a Fund was deemed useful by representatives from civil society, under the condition that its shortcomings are addressed. He also explained that revenues from the auctioning of EU allowances innovative sources such as a tax on airline tickets are transferrable in such a fund;
- **Daniel Van Daele** and **Michel Genet** stated that future Belgian contribution to ICF should be 100% additional, sustainable, respect international conventions and come from public sources;
- A discussion between the audience and the panel pointed at a possible interim solution regarding ICF in terms of shorter-term objectives. Belgium could put in place short-term periods (eg: three years) with a concrete objective with regard to ICF, in order to reach them more easily;
- **Daniel Van Daele** explained that fixing the EU-ETS was of utmost importance and should be a priority of the EU. He proposed a mechanism of set-aside to revive the market and suggested to implement a tax for regulating the price of carbon in the future;
- **Michel Genet** sharply emphasized the importance of greening the tax system for leveraging new funds for ICF. The idea of removing environmentally-harmful subsidies and using the money thus saved for climate action was discussed by the audience.

Useful links and information

- **The presentations and speeches made at the workshop are available on :**
 - **NL:** <http://www.klimaat.be/spip.php?article863&fs=>
 - **FR:** http://www.klimaat.be/spip.php?article862&id_mot=26

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