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INTERGOVERNMENTAL PANEL ON climate change

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AD HOC TASK GROUP ON FINANCIAL STABILITY

(Prepared by the Co-Chairs of the Ad Hoc Task Group on Financial Stability (ATG-Finance))

(Submitted by the Secretary of the IPCC)

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AD HOC TASK GROUP ON FINANCIAL STABILITY

Report on the Financial Stability of the IPCC by the Ad Hoc Task Group on Financial Stability (ATG-Finance)

Background

The 45th Session of the IPCC held in Guadalajara, Mexico, established the Ad Hoc Task Group on Financial Stability (ATG-Finance) with the purpose to propose, for consideration of the Panel, funding options, and implications therein, with a view to secure predictable, sustainable and adequate means for a smooth implementation of the IPCC's programme of work.

The ATG-Finance is co-chaired by IPCC Vice-Chairs Thelma Krug from Brazil and Youba Sokona from Mali. The members of the ATG-Finance are the core members of the Financial Task Team, the Co-Chairs of the Financial Task Team as well as the Secretary and Deputy Secretary of the IPCC. The Group is also open to government representatives.

The 46th Session of the IPCC held in Montreal, Canada, after taking note of the report of the ATG-Finance (IPCC-XLVI/Doc.8) extended its mandate to: (1) explore means to mobilize additional resources, including from UN organizations and other (e.g. UNEP, GEF, GCF) and evaluate their potential implications, in particular issues related to conflict of interest and legal matters; and (2) provide guidance on the eligibility of potential donors, including the private sector¹. In addition, the Panel decided to revisit the discussion on the funding options as contained in the report of the ATG-Finance presented to IPCC-46 and report back to IPCC-47 with its proposals. The eight funding options are:

- a. Voluntary and assessed contributions in the UN system
- b. Increasing voluntary contributions from Member Governments
- c. Assessed or mandatory contributions from Member Governments
- d. Crowd-funding
- e. Contributions from scientific, research and philanthropic institutions
- f. Contributions from UN entities and international and regional financial institutions
- g. Private sector
- h. Funding (friends) meeting

Planned Activities

In order to meet the objectives of the extended mandate, the following activities were planned:

- To consult IPCC Focal Points and Ministries of Foreign Affairs about the intent of their respective governments to provide financial support to the IPCC Trust Fund during the AR6 cycle and beyond; and to indicate their preference relative to the fundraising options identified in the report presented to IPCC-46, reproduced above (options a to h);
- To contact the UN Secretary General about the possibility for the UN support to the work of the IPCC under its regular budget;
- To meet with the Office of Resource Mobilization and Development Partnerships (RMDP) of WMO to learn about WMO's initiatives related to resource mobilization; and how these could inform the IPCC ongoing discussions on sustained and predictable resources mobilization;

¹ These were listed as elements (2) and (3) in section 3 (Roles and Responsibilities) in Appendix 1 of the report of the forty-fifth session of the IPCC.

- To meet with the Corporate Services of UN Environment to learn about initiatives carried out by the UN Environment related to resource mobilization including with UN system; and how these could inform the IPCC ongoing discussions on sustained and predictable resources mobilization; and
- To explore with GEF and GCF their potential support to the work of IPCC.

Status on the Implementation of Planned Activities

The Co-Chairs recognize that further consultations with ATG-Finance members will be of benefit to the process. Also some advances have been made, *inter alia*:

- Letter to IPCC Focal Points and Ministries of Foreign Affairs, signed by the Secretary of the IPCC on behalf of the Co-Chairs of ATG-Finance, sent on 23 January 2018 with a deadline of 2 February 2018 for the receipt of preferences on the fundraising options. As of 28 February 2018, 22 responses have been received (11 from Developing countries, 11 from Developed countries, and 0 from Economies in Transition). A table with responses is attached as **Annex 1**. The top three preferences, in order of priority, were: 1) increasing voluntary contributions from Member Governments; 2) contributions from UN entities and international financial institutions; and 3) voluntary and assessed contributions in the UN system and contributions from scientific, research and philanthropic institutions;
- Letter to the UN Secretary General, signed by the Chair of the IPCC, sent on 23 January 2018. No response has yet been received;
- Meeting between the Senior Programme Manager, RMDP, the ATG-Finance Co-Chairs and the Secretariat on 2 February 2018;
- Meeting with UNEP is scheduled to take place right after IPCC-47;
- Meeting with international financial institutions, such as multilateral development banks (Interamerican Development Bank, African Development Bank, Asian Development Bank, the World Bank) that need a discussion and decision among the Ad Hoc Group;
- Meeting with GEF and GCF (tbc). An informal contact with the GCF Secretariat has been made, seeking for its potential contribution to the IPCC Trust Fund. It was indicated that feedback will be provided after the next GCF Board meeting.

Conclusions

Due to the few responses (22) from Member Governments, it was not possible to identify any concrete action the ATG-Finance could recommend to the 47th Session of the IPCC. However, from the responses received, voluntary contributions by Members Governments were identified as the main source of funding. Out of 22 responses, 15 ranked increasing voluntary contributions from Member Governments as 1st preference, 7 ranked contributions from UN entities and international & regional financial institutions as 2nd preference and 6 ranked voluntary and assessed contributions in UN system and contributions from scientific, research & philanthropic institutions as 3rd preference. It is important that the ATG-Finance have a clear guidance from the Panel on the assessed contributions so as to guarantee the financial stability of the IPCC and to avoid financial difficulties such as the one recently experienced, which led to the creation of the ATG-Finance. It is also to be noted that some Member Governments have already increased their contributions to the IPCC, as indicated in Annex I of the Resource Mobilization document for IPCC-47. The ATG-Finance would urge the Member Governments to send to the ATG-Finance their views on how to evolve on the IPCC financial stability issue, so as to trigger concrete recommendations for the evaluation of the Panel on its next session, if deemed appropriate by the Panel.

IPCC
Ad Hoc Task Group on Financial Stability of the IPCC (ATG-Finance)
Fundraising Options by Priority

Member Government	Voluntary and assessed contributions in UN system	Increasing voluntary contributions from Member Govts	Assessed or mandatory contributions from Member Govts	Crowd-funding	Contributions from scientific, research & philanthropic institutions	Contributions from UN entities and international & regional financial institutions	Private sector	Funding (friends) meeting
1 Brazil	4	1	3	6	5	2	8	7
2 Canada	-	1	-	4	2	3	-	-
3 Chad	1	2	8	5	7	3	4	6
4 China	2	1	-	3	5	4	6	7
5 France	2	1	3	-	-	-	-	-
6 Germany	1	2	-	-	3	4	-	-
7 Greece	2	1	7	6	3	4	8	5
8 Hungary	1	2	3	4	5	6	7	8
9 Indonesia	3	1	5	2	-	4	-	-
10 Iran, Islamic Republic of	4	1	8	6	2	3	7	5
11 Japan	-	1	-	4	5	2	-	3
12 Mali	2	1	7	3	4	5	6	8
13 Mauritius	2	1	3	7	4	5	6	8
14 Mexico	-	1	-	-	2	3	-	-
15 Mongolia	3	2	1	6	7	8	4	5
16 Norway	-	1	-	-	-	2	-	-
17 Saudi Arabia	-	1	-	-	-	2	-	-
18 Slovakia	-	1	-	-	-	2	-	-
19 Spain	1	3	2	-	-	4	-	-
20 Sweden	2	3	1	-	-	-	-	-
21 Switzerland	-	1	-	-	3	2	-	-
22 Thailand	1	4	6	8	5	2	3	7