

3 Sep 2015 @ 1500

## conceptual note - part 1 para 12

Text for Agreement:

art. 12: In accordance with the objectives set forth in Article [2] of this agreement and pursuant to the ultimate objective of the Convention, all investments/relevant financial flows/activities [shall][should][other] progressively become low-emission and resilient to climate impacts, in order to contribute to the necessary transformation towards sustainable development, the achievement of the goal to limit global average temperature increase as referred to in Article 3, and to the building of economies, societies and ecosystems that are resilient to climate change.

art. 12bis: To this end, all Parties shall individually or collectively take action to mobilize, and/or facilitate the mobilisation of, climate finance from a variety of sources, through a diversity of actions that will differ in accordance and in line with their respective and evolving responsibilities and capabilities, acknowledging the importance of leadership to be taken by [developed country Parties][Parties included in annex X][Parties in a position to do so, considering evolving capabilities][all countries in a position to do so], acknowledging that some Parties need support in order to take action, and acknowledging that the need for support by Parties may change over time or be met with different means of support.

Rationale:

The intention is to set out more clearly the overarching *purpose* of climate finance from the *actions* to be taken, which are currently conflated in art. 12 option 1 and option 4.

Regarding the purpose of climate finance and related commitments the starting point for is the **ambition** to achieve a broad-scale transformation to stay below 2 degrees and achieve climate resilience. Climate finance is a means to this end and should enable the shifting of all investments (in broad sense) towards the long term goals of the new agreement.

This purpose is currently captured in art. 12 option 4 and partly in option 1.

Achieving this purpose (and thus the objectives of the Convention and the Agreement) will require collective efforts, meaning that each party can and should be do *something*, in different ways in line with their evolving capabilities that at least helps climate finance being mobilised. The most capable parties have a role to play in providing public finance support to cover incremental costs.

This is currently captured in art. 12 option 1.

We believe that it would be useful to separate the overarching purpose in current art. 12 option 4 and parts of option 1, into two separate provisions, in order to facilitate our discussions.