

Preliminary ideas on enhancing action on the provision of financial resources

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Bali Action Plan and commitment by the developed countries

- The four “vehicles” to enhance international cooperation in Bali Action Plan
 - Financing**, Technology
 - Mitigation, Adaptation
- Based on Article 4.3 and Article 12 of UNFCCC, developed country Parties shall take substantive actions to provide adequate, predictable and sustainable financial resources which shall be new and additional and include grants and concessional funding for developing country Parties.

Review of existing funding

- GEF: USD3.3 billion from 1991 to 2010, and USD1 billion During GEF-4 replenishment cycle; [source: FCCC/SBI/2007/21]
- SCCF: USD 90M;
- LDCF: USD 180M, including new pledges; [source: GEF website]
- AF: 2% from CDM proceeds (about 37 M Euros now) [source: AF Website]

Suggestions on GEF reform

- To enhance action on adaptation and mitigation in developing country Parties;
- To enhance action on technology development and transfer to support action on mitigation and adaptation as well as to promote access to affordable environmentally sound technologies;
- To support National Communications of Parties not included in Annex I with separate and additional funding apart from RAF.
- To improve small countries access to GEF assistance;
- To improve GEF itself and Agencies' efficiency.

Some studies on Financial needs by developing countries

- FCCC/SBI/2007/21: **On mitigation**, about USD **65 BN** will be needed in developing countries in 2030; **On adaptation**, USD **28–67 BN** additional investment and financial flows will be needed in non-Annex I Parties by 2030.
- Oxfam 2007: In developing countries, adaptation will cost at least USD **50BN** per year, and even higher if GHG Emission are not cut rapidly.
- India (Aug.2007, Vienna): the financial needs for adaptation goes beyond the estimate cost of UNFCCC secretariat for all developing countries
- Huge GAP between the needs and the available financial resources.

Operationalize UNFCCC mechanism by

Scaling-up of funding

- Source: Implementation of Developed countries commitment under UNFCCC;
- Scale: Certain percentage of annual GDP, e.g. 0.5%, in addition to existing ODA;
- Usage: to enhance action on mitigation, adaptation and technology RD&D and TT.

Any funding pledged outside the UNFCCC shall not be regarded as the fulfillment of commitments by developed country Parties under Article 4.3 of the Convention.

Coordinated funding Arrangements

- Design:

Establishing a number of specialized funds: e.g.

A) Adaptation fund;

B) Multilateral Technology Acquisition Fund;

- Governance:

A) the fund established be under the authority and guidance of and be fully accountable to the COP;

B) equitable and balanced representation of all Parties within governance;

C) easy access and lower management cost.

Thanks for your attention!