

Section F, Paragraphs 93, 98, 99, 109, 121, 128¹

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Output of facilitated meeting

Consolidation of paragraph 93 and 99:

93. [A periodic process for assessing the needs of developing countries to implement the Convention, including through this agreement, is established; the assessment process will be based on country Parties' submissions and other relevant reports and will be performed every four years in alignment with the replenishment cycles of the operating entities of the Financial Mechanism; the outcomes of the process should serve as input in the replenishment process.]

Observation:

- Parties agreed to delete paragraph 99.

Consolidation of paragraph 98:

98. **Option 1:** The provision of finance to be based on a floor of USD 100 billion per year:
- a. Based on an ex ante process to commit quantified support commensurate with the required effort reflected in the adaptation and mitigation goals / relative to the required effort and in line with the needs of [developing countries][Parties not included in annex X];
 - b. Based on clear burden-sharing arrangements among [Annex II Parties][Parties included in annex Y] [Parties in a position to do so, considering evolving capabilities][all countries in a position to do so] to identify the flows of [public]financial support from [developed countries][Parties included in annex X], including through the application of an assessed scale of contributions from [developed countries][Parties included in annex X][Parties in a position to do so, considering evolving capabilities][all countries in a position to do so];
 - c. Including aggregate and enhanced specific / individual commitments / contributions by [[Annex II Parties][Parties included in annex Y], complemented by other Parties in a position to do so] [Parties in a position to do so, considering evolving capabilities] [all countries in a position to do so];
 - d. Based on a road map with annual targets for public funding in the post-2020 period or pathways with annual expected levels of climate finance towards achieving short-term quantified goals;
 - e. Based on an agreed percentage formula for the calculation of the contributions of [[Annex I Parties] [Parties included in annex X] and differentiated [developing country][Parties not included in annex X]] [Parties in a position to do so considering evolving capabilities] [all countries in a position to do so] on the basis of GDP or other indicators.

Option 2: Agreement not to specify individual / quantified commitments, quantified targets or specific indicators for the post-2020 period.

Option 3: Climate finance provided by developed country Parties shall be based on a quantified target taking into consideration the following:

- a. The provision of finance to be based on a floor of USD 100 billion and shall take into account the different assessments of climate finance related needs prepared by the secretariat and reports of other international organizations;
- b. Based on an ex ante process to identify the quantified support relative to the required effort and in line with developing countries' needs;

¹ Sections and paragraphs refer to those in document FCCC/ADP/2015/1.

- c. It shall be reviewed every four years in line with the dynamic assessment of the needs of developing countries and gaps in the delivery of financial resources;
- d. Based on a road map with annual targets for public funding from developed country Parties in the post-2020 period or pathways with annual expected levels of climate finance towards achieving short-term quantified goals;
- e. A short-term collective quantified goal that defines the expected, scaled-up climate finance level for the post-2020 period should be determined in order to enhance the predictability of the provision of climate finance, indicating specific levels of public sources to be provided; this goal shall be regularly reviewed, updated and scaled up.]

Observations:

- Option 3 of the Geneva Negotiating Text was deleted.
- It was pointed out that there are significant textual duplications and overlaps between paragraph 98 and 92.

Consolidation of paragraph 109, Options 1 and 2:

109. [[A collective goal for support to be achieved by all Parties in order] to transition][All Parties will aim to contribute] to the transition to a world in which all investments are directed at resilient and low-emission actions, and where finance, technology transfer and capacity-building that promote low[-]emission and resilient actions prevail.]

Consolidation of paragraph 121:

121. [**Option 1:** Funding for capacity-building as well as measures to develop, adopt and implement policies, strategies, regulations and/or action plans on climate change education, training, public awareness, public participation and public access to information in [developing country Parties][Parties not included in annex X]:

121.1. To be provided by [[developed country Parties][Parties included in annex X] and other Parties] [Parties in a position to do so, considering evolving capabilities][all countries in a position to do so] and organizations in a position to do so, in an adequate and predictable manner;

121.2. To be primarily channelled through the Financial Mechanism, taking into account the potential role of the private sector in supporting capacity-building and the need for enhanced coordination among donors and institutions.

Option 2: Funding for capacity-building shall be provided by developed country Parties to developing country Parties and channelled through the Financial Mechanism for the implementation of climate change actions in line with COP decisions and Article 6 of the Convention, in an adequate and predictable manner;]

Observations:

- Options 2 and 4 of the Geneva Negotiating Text were deleted.

Consolidation of paragraph 128:

128. [**Option 1:** Financial resources to be mobilized and provided from:

Option (a): Primarily public sources, with supplementary funding to be drawn from private / alternative sources:

- a. Stressing that public sources are the main source of finance, the scale of resources needed and the type of investments required, governments to work more closely together with the private sector;
- b. [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] shall incentivize the private sector to provide funding to [developing countries][Parties not included in annex X];
- c. Different [public] sources to be considered on the basis of clear criteria in order to avoid incidence on [developing countries][Parties not included in annex X], and the sustainability, predictability and additionality of [public] sources to be clarified;

- d. [Developed country Parties shall channel a substantial share of public climate funds to adaptation activities with prioritization for the most vulnerable developing countries, especially the LDCs and SIDS.]

Option (b) [The mobilization of finance may come] from a wide variety of sources, including public, private and alter-native sources, recognizing the need for a diversity of sources and instruments to suit recipients' [priorities and] changing economic circumstances] [with different types of financing for different activities and public sources for specific areas, given the limited potential for private investment, in particular in the most vulnerable countries and the LDCs.]

128.1. With regard to private and alternative finance:

- a. All Parties to commit to cooperate in leveraging private finance and/or to mobilize / utilize public funds and means to facilitate and encourage private investment in accordance with their capabilities, recognizing that private-sector financing is complementary to, but not a substitute for, public-sector financing where public finance is needed:
- i. A mechanism to attract private sector investment in projects, with clear definitions, respective roles and guidance on the mechanism, so as to achieve a useful balance of public and private sources, ensuring reasonable returns and full transparency;
 - ii. Efforts undertaken by export credit agencies to help investors manage risk;
 - iii. A clear signal to the private sector at all levels to contribute to the mobilization of climate finance and to reorient financial flows and trigger the required investments and involvement, including of local private sectors;
 - iv. Public-sector finance to catalyse and avoid crowding out private-sector investments, ensuring that private-sector investment is not displaced, with the efficient use of public resources and effective public policies to be the key focus of post-2020 cooperative efforts among middle- and higher-income countries;
 - v. Need for strong public-private partnerships, which should be subsidized and incentivized;
 - vi. Be strategic and in line with national priorities and laws and be profitable for the private sector;
 - vii. Enhanced enabling environments for private-sector investment in adaptation;
 - viii. The governing body shall develop modalities for leveraging and freeing up private finance to support the implementation of this agreement.
- b. A tax on oil exports from [developing][Parties not included in annex X] to [developed countries][Parties included in annex X][Parties in a position to do so, considering evolving capabilities][all countries in a position to do so] to be established;
- c. An international renewable energy and energy efficiency bond facility to be established;
- d. The phasing down of high-carbon investments and fossil fuel subsidies.

Option 3: Financial resources to be provided by developed country Parties to developing country Parties. Public sources from developed country Parties' direct budget contributions primarily, with supplementary funding to be drawn from private / alternative sources in developed countries. Other financial sources in developed country Parties to be considered on the basis of clear criteria in order to avoid incidence on developing country Parties and to ensure the sustainability, predictability and additionality of sources.

Option 4: Public sector financing from developed country Parties shall be the primary source of resources, with other sources to be considered supplementary.

Different sources to be considered on the basis of clear criteria in order to avoid incidence and ensure fiscal sovereignty of developing countries, and ensure the sustainability, predictability and additionality of resources.]

Observations:

- To be moved to section on 'Anchoring institutions under the legal agreement':

[The operating entities of the Financial Mechanism and other funds under the Convention, in particular the GCF and the Adaptation Fund, shall be replenished with sustainable resources to allow them to provide adequate support to developing countries;]

- Options 2 and 3 of the Geneva Negotiating Text were deleted.
- It was noted that Option 5 can be deleted if the sentence listed above is moved to the section on anchoring institutions under the legal agreement, noting that discussions on structural related issues regarding section F are still pending;
- One proposal was made that subparagraphs a. to d. as contained in paragraph 128, Option 1, could be moved to a COP decision due to the detailed nature of the information contained therein.