

Section F [Finance]¹

Version of 10 June 2015 at 23:00

Output of facilitated meeting²

Option I:

[*Guiding principles*]

79. **Option 1:** Each Party / All Parties [shall] individually or collectively [to] mobilize climate finance through a diversity of actions from a variety of sources as a means to stay below the long-term temperature limit and to achieve the transformation required to that end acknowledging that the actions to be taken will differ, in accordance and in line with their respective and evolving responsibilities and capabilities / the principles and objectives of the Convention, 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 / [all [Parties][countries] in a position to do so][Parties included in annex X] [Parties in a position to do so, considering evolving capabilities] [should][shall] provide financial support to Parties in need of support as a means to achieve the objectives of this agreement, acknowledging the need for climate-resilient economies and societies;³

Option 2: In accordance with the objectives set forth in article 5 of this agreement and pursuant to the Convention's ultimate objective, all investments are to progressively become low-emission and resilient to climate impacts, contributing to the necessary transformation towards sustainable development and the achievement of the goal of maintaining the average global temperature increase below 2 °C or 1.5 °C, as well as building economies, societies and ecosystems that are resilient to climate change;

Option 3: In the implementation of this agreement, all developed country Parties and other Parties included in Annex II to provide climate finance as a means to enhance action towards achieving the objective of the Convention and to achieve the transformation required to that end, and in line with the needs of developing countries, in accordance with their obligations and commitments under Article 3, paragraphs 1 and 2, and Article 4, paragraphs 3, 4, 5, 7, 8 and 9, of the Convention;

The principles under the Convention, in particular the principles of common but differentiated responsibilities and respective capabilities and equity, acknowledging that the need for support by developing country Parties may change over time and be accommodated under Article 4, paragraph 7, of the Convention, and acknowledging the need for financing for forestry in line with the Warsaw Framework for REDD-plus, [including alternative approaches to results-based actions such as joint mitigation and adaptation for the integral and sustainable management of forests];

The extent to which developing country Parties will effectively implement their commitments will depend on the effective implementation by developed country Parties of their commitments related to financial resources, transfer of technology and capacity-building;

In accordance with the objectives set forth in article X of this agreement and pursuant to the Convention's ultimate objective, climate finance to contribute to the necessary transition towards sustainable development and the achievement of the goal of maintaining the average global temperature increase below 2 °C or 1.5 °C, as well as building economies, societies and ecosystems that are resilient to climate change.⁴

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

² Sub-headers will be removed in the working document, footnotes on alternative placing proposals will indicate the range of paragraphs for alternative placing.

³ Alternative placing proposal: *Contributions under the Legal Agreement.*

⁴ Alternative placing proposal: *Contributions under the Legal Agreement.*

Option 4: All Parties in a position to do so should provide financial support to Parties in need of support as a means to achieve the objectives of this agreement, acknowledging the need for climate-resilient economies and societies.^{5]} ⁶ (Paragraph 79 in document FCCC/ADP/2015/1)

80. [Parties decide that the governing body shall develop objective criteria to define which Parties are in a position to provide support.]⁷ (Paragraph 80 in document FCCC/ADP/2015/1)
81. **Option 1:** 81.1 In the implementation of this agreement, financial resources provided by developed country Parties as the means of implementation shall:
- a. Consist of new, additional, adequate and predictable financial resources provided by developed country Parties and other Parties included in Annex II to developing country Parties for the full and enhanced implementation of the Convention, as part of promoting sustainable development in developing countries, including through enabling enhanced mitigation and adaptation actions [and protecting the integrity of Mother Earth]; (Paragraph 82 option 1 paragraph 82.1 option (d) subparagraph a in document FCCC/ADP/2015/1)
 - b. Ensure facilitated and enhanced access [including through direct access] of developing countries; (Paragraph 82 option 1 paragraph 82.1 option (d) subparagraph b; paragraph 82 option 1 paragraph 82.1 option (a) subparagraph a in document FCCC/ADP/2015/1)
 - c. Enhance addressing of climate change in addition to development aid, acknowledging that climate finance is to be separate from official development assistance; (Paragraph 82 option 1 paragraph 82.1 option (d) subparagraph c in document FCCC/ADP/2015/1)
 - d. Deliver new, additional, adequate and predictable funding for adaptation from public sources and on a grant basis, including for the implementation of the Cancun Adaptation Framework and adaptation-related provisions included in this agreement, for building institutional capacity and appropriate legal frameworks [and appropriate institutional arrangements such as the climate resilience and sustainable development mechanism];⁸ (Paragraph 82 option 1 paragraph 82.1 option (d) subparagraph d; paragraph 82 option 1 paragraph 82.1 option (a) subparagraph g in document FCCC/ADP/2015/1)
 - e. The scale of financial resources shall be periodically reviewed and updated every four years in relation to regular assessments of needs of developing countries and in the context of the temperature goal; (Paragraph 82 option 1 paragraph 82.1 option (d) subparagraph e in document FCCC/ADP/2015/1)
 - f. Advance the implementation / fulfilment of commitments by developed country Parties in terms of finance, technology transfer and capacity-building to enable developing country Parties to take action plans and to implement Article 6 of the Convention;⁹ (Paragraph 82 option 1 paragraph 82.1 option (c) subparagraph d in document FCCC/ADP/2015/1)
 - g. Ensure a country-driven approach in the access and delivery of climate finance; (Paragraph 82 option 1 paragraph 82.1 option (a) subparagraph m in document FCCC/ADP/2015/1)
 - h. Establish a readiness programme as an enabling activity and ensure a country-driven approach in the mobilization, provision and delivery of climate finance; (Paragraph 82 option 1 paragraph 82.1 option (a) subparagraphs j and m in document FCCC/ADP/2015/1)
 - i. Take into account the urgent and immediate needs and special circumstances of particularly vulnerable countries, including the LDCs and SIDS; (Paragraph 82 option 1 paragraph 82.1 option (a) subparagraph l in document FCCC/ADP/2015/1)
 - j. [Recognize the need for a special mechanism in the agreement to fast-track urgent action required to assist the most vulnerable countries that are already experiencing existential challenges from climate change].¹⁰ (Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph n in document FCCC/ADP/2015/1)
- 81.2. Developed country Parties and other Parties included in Annex II to provide financial resources for the enhanced implementation of the Convention under this agreement, in order to / in a manner that:
- a. Aims for a balanced allocation of financing between adaptation and mitigation, while assuring a minimum of 50 per cent of resources for adaptation and an equitable distribution among different regions of developing countries, and enhances country ownership in the disbursement of financial resources, with all financing for adaptation to be grant-based, prioritizing the urgent and immediate needs and special circumstances of developing countries particularly vulnerable to climate change, including in particular the LDCs and SIDS and African States; (Paragraph 82 option 1 paragraph 82.2 option (d) subparagraph a in document FCCC/ADP/2015/1)

⁵ Alternative placing proposal: *Contributions under the Legal Agreement.*

⁶ Alternative placing proposal: *Commitments/contributions/actions.*

⁷ Alternative placing proposal: *Contributions under the Legal Agreement.*

⁸ Alternative placing proposal: *Commitments/contributions/actions.*

⁹ Alternative placing proposal: *Commitments/contributions/actions.*

¹⁰ Alternative placing proposal: *Contributions under the Legal Agreement.*

- b. Ensures additionality, adequacy and predictability in the flows of funds and the need for clarity of appropriate burden sharing among developed countries; (*Paragraph 82 option 1 paragraph 82.2 option (d) subparagraph b in document FCCC/ADP/2015/1*)
- c. Is systematically and regularly scaled up and based on developing countries' needs, in line with a process to regularly update the scale of support in the context of the temperature goal;¹¹ (*Paragraph 82 option 1 paragraph 82.2 option (d) subparagraph c in document FCCC/ADP/2015/1*)
- d. Meets the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including in particular SIDS, the LDCs and countries in Africa; (*Paragraph 82 option 1 paragraph 82.2 option (d) subparagraph d in document FCCC/ADP/2015/1*)
- e. Is gender-sensitive and based on a country-owned and -driven approach and ensures the right to development of developing countries; (*Paragraph 82 option 1 paragraph 82.2 option (d) subparagraph e in document FCCC/ADP/2015/1*)
- f. Explores further options to simplify procedures for access to funds, especially for the LDCs and SIDS. (*Paragraph 82 option 1 paragraph 82.2 option (d) subparagraph f in document FCCC/ADP/2015/1*)

Option 2: 81.1[The mobilization, provision [and delivery] of finance shall:][Parties [are encouraged to mobilize climate finance from a variety of sources in accordance and in line with respective [and] evolving responsibilities and capabilities, acknowledging that Parties with higher capabilities should support Parties with lower capabilities];]¹² (*Paragraph 82 option 1 paragraph 82.1 option (a) chapeau in document FCCC/ADP/2015/1*)

- a. Promote low-emission, climate-resilient development; (*Paragraph 82 option 3 in document FCCC/ADP/2015/1*)
- b. Encourage policy signals by governments / catalyze policy actions by governments and adjustment or improvement of policies;¹³ (*Paragraph 82 option 1 paragraph 82.1 option (a) subparagraph f in document FCCC/ADP/2015/1*)
- c. Recognizes investments of [developing countries][Parties not included in annex X] / all Parties in supporting transformational change as part of their contributions; (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph i in document FCCC/ADP/2015/1*)
- d. Promote climate finance readiness activities, such as enhancing enabling environments;¹⁴ (*Paragraph 82 option 1 paragraph 82.1 option (a) subparagraph o in document FCCC/ADP/2015/1*)
- e. With a view to striving towards an appropriate balance between mitigation and adaptation over time; (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph a (iv) in document FCCC/ADP/2015/1*)
- f. Avoids duplication, allows for flexibility, ensures efficiency and transparency; (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph g in document FCCC/ADP/2015/1*)
- g. Is quantifiable, comparable and transparent; (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph v in document FCCC/ADP/2015/1*)
- h. Is results-based and delivers the greatest impact possible and targets the effectiveness of mitigation and adaptation action; (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph f in document FCCC/ADP/2015/1*)
- i. Maximize and incentivize ambitious mitigation actions, in particular through payment for verified [emission reductions][results, where appropriate]; (*Paragraph 82 option 1 paragraph 82.1 option (a) subparagraph k in document FCCC/ADP/2015/1*)
- j. Collectively exceeds the aggregate ambition of individual commitments / contributions; (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph t in document FCCC/ADP/2015/1*)
- k. Targets the drivers of climate change; (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph p in document FCCC/ADP/2015/1*)
- l. Pursues a gender-sensitive and country-driven approach; (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph o in document FCCC/ADP/2015/1*)
- m. Enhances / catalyses international cooperative initiatives and recognizes their contribution to assisting Parties in the implementation of this agreement; (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph x in document FCCC/ADP/2015/1*)

81.2 Parties should ensure that climate finance and investment provided and mobilized under this agreement:

¹¹ Alternative placing proposal: *Addressing the scale of resources.*

¹² Alternative placing proposal: *Commitments/contributions/actions.*

¹³ Alternative placing proposal: *Commitments/contributions/actions.*

¹⁴ Alternative placing proposal: *Commitments/contributions/actions.*

- a. Creates policy certainty by encouraging Parties to set their own strategies and priorities for low-carbon and climate-resilient development;
- b. Aligns with country-driven strategies and priorities, and in doing so achieves a balance between finance and investment for mitigation and for adaptation;
- c. Is delivered in simplified and coordinated ways from a variety of sources in order to reduce duplication of effort and to improve effective delivery and implementation;
- d. Delivers mitigation and adaptation results that can be measured, reported and verified as part of a results-focused policy and enabling environment;
- e. Helps build a partnership among governments, development partners and the private sector to invest in and support country-driven strategies and priorities for low-carbon and climate-resilient development. *(Paragraph 82 option 2 in document FCCC/ADP/2015/1)*

Option 3: Developed country Parties shall provide financial resources to developing country Parties for the full and enhanced implementation of the Convention under this agreement, in a manner that:

- a. Ensures as new, additional, adequate and predictable the full and enhanced implementation of the Convention in line with the overriding priorities of sustainable economic and social development in developing countries;
- b. Takes into consideration the need for assuring additionality, adequacy and predictability in the flows of funds on the basis of clear burden-sharing arrangements among developed country Parties;
- c. Enhances actions on addressing climate change in addition to development aid, acknowledging that climate finance is to be separate from official development aid;
- d. Provides additional, adequate and predictable funding for adaptation, in particular for the implementation of the Cancun Adaptation Framework, for building institutional capacity and appropriate legal frameworks;
- e. Advances the fulfilment of commitments by developed country Parties in terms of finance, technology transfer and capacity-building to enable developing country Parties to take action plans to implement Article 6 of the Convention;
- f. Ensures an adequate and equal [balanced] allocation of financial resources between adaptation and mitigation while prioritizing adaptation, with all financing for adaptation to be grant-based, and enhances country ownership in the disbursement of financial resources;
- g. Is systematically and regularly scaled up and is based on the needs of developing country Parties over time;
- h. Meets the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change / Prioritizes the specific needs and special circumstances of the most particularly vulnerable countries;
- i. Pursues a gender-sensitive and country-driven approach;
- j. Enhances / catalyses international cooperative initiatives and recognizes their contribution to assisting Parties in the implementation of the Convention; *(Paragraph 82 option 4 in document FCCC/ADP/2015/1)*
- k. [The mobilization and provision of finance to promote low-emission, climate-resilient development]. *(Paragraph 82 option 3 in document FCCC/ADP/2015/1)*

Option 4: a. [Prioritizes the specific needs and special circumstances of the most / particularly vulnerable countries, including landlocked countries, recognizing the special circumstances of the LDCs and SIDS, giving priority to countries with the least capability and/or ensuring a fair geographical allocation of resources, while ensuring that the importance of providing support to other [developing countries][Parties not included in annex X] is in no way diminished][Take into account the urgent and immediate needs and special circumstances of the LDCs and SIDS]; *(Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph m in document FCCC/ADP/2015/1)*

- b. Enhance the addressing of climate change in addition to the coordination of development aid recognizing the importance of financing for adaptation acknowledging that climate finance is to be separate from official development aid; *(Paragraph 82 option 1 paragraph 82.1 option (a) subparagraph e in document FCCC/ADP/2015/1)*
- c. Is results-based/needs-based and delivers the greatest impact possible and targets the effectiveness of mitigation and adaptation action / mitigation and adaptation results that can be measured, reported and verified; *(Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph f in document FCCC/ADP/2015/1)*
- d. Encourages South–South cooperation which is voluntary, free of monitoring and can be supplementary / complementary, but not substitute commitments of [Parties included in [Annex I][annex X] to the

Convention][Parties in a position to do so, considering evolving capabilities][all countries in a position to do so], while acknowledging that South–South cooperation is not a commitment of Parties under the Convention.]¹⁵ (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph h in document FCCC/ADP/2015/1*)

82. [All Parties to cooperate in the implementation of this agreement in order to:
- a. Support the enhanced ambition of all Parties through the provision of support from [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 [developing country Parties][Parties not included in annex X];
 - b. Enable Parties' best efforts based on their respective capabilities, foster country ownership and achieve sustainable development.]¹⁶ (*Paragraph 83 in document FCCC/ADP/2015/1*)
83. [Efforts of subnational and local governments, subregional entities and the private sector to be recognized.]¹⁷ (*Paragraph 85 in document FCCC/ADP/2015/1*)

[Addressing the scale of resources]¹⁸

84. [The importance of providing clarity on the level of support, in particular financial support, that will be provided to [developing countries][Parties not included in annex X] to allow for the enhanced implementation of the Convention, in particular with regard to adaptation, to be recognized as a crucial element in creating the necessary conditions for the enhanced participation of developing countries in the global effort to combat climate change and adapt to its adverse effects.]¹⁹ (*Paragraph 95 in document FCCC/ADP/2015/1*)
85. [Clarity on the scaling up of resources shall be a key component of the agreement on post-2020 commitments through synthesized biennial submissions of developed country Parties on their updated strategies and approaches to scaling up climate finance from 2014 to 2020, including quantified forward-looking information on the expected level of funding to be provided.
- a. Regular assessments and reviews shall be conducted on scaling up levels of ambition in both mitigation and adaptation taking into account evolving needs identified by developing country Parties;
 - b. A process for the determination of the level of resources required to keep the level of temperature increase to below 1.5–2 °C shall be conducted.]²⁰ (*Paragraph 86 in document FCCC/ADP/2015/1*)
86. [A clear process for periodic reviews and assessment of the finance goal on the basis of the needs assessments of developing country Parties, addressing gaps in the delivery of resources and in line with an agreed goal on the limit of the temperature increase, shall be established under this agreement.]²¹ (*Paragraph 87 in document FCCC/ADP/2015/1*)
87. [Financial support provided under the agreement shall be regularly scaled up and shall be subject to a triennial review.] (*Paragraph 102 in document FCCC/ADP/2015/1*)
88. [Climate finance [to][shall] be scaled up to provide the financing, access to technology and capacity-building necessary to meet the goal of limiting the temperature increase to below [2][1.5] °C, [and of building economies, societies and ecosystems that are resilient to climate change] in line with the needs of [developing countries] [Parties not included in annex X].]²² (*Paragraph 91 in document FCCC/ADP/2015/1*)
89. **Option 1:** [Scale of resources provided by developed country Parties shall be based on a percentage of their GNP of at least (X per cent) taking into consideration the following][Climate finance provided by developed country Parties shall be based on a quantified target taking into consideration the following][The provision of finance [committed by developed country Parties,] to be based on a floor of USD 100 billion per year]:

¹⁵ Alternative placing proposals for paragraph 82: *Commitments/contributions/actions; Sources of finance.*

¹⁶ Alternative placing proposal: *Commitments/contributions/action / Contributions under the Legal Agreement.*

¹⁷ Alternative placing proposals: *Commitments/contributions/actions / Contributions under the Legal Agreement; Sources of finance; New subsection on reporting.*

¹⁸ NOTE: some Parties proposed to move current paragraphs 91 to 110 before the subsection on Addressing the scale of resources.

¹⁹ Alternative placing proposals: *Guiding principles.*

²⁰ Alternative placing proposals: *Addressing the scale of resources; (dynamic implementation of) Commitments/contributions/actions.*

²¹ Alternative placing proposals: *Addressing the scale of resources; (dynamic implementation of) Commitments/contributions/actions; Guiding principles.*

²² Alternative placing proposal: *Commitments/contributions/action.*

- a. [The provision of finance to be based on a floor of USD 100 billion [per year], and shall take into account the different assessment of climate-related finance needs prepared by the secretariat and reports by other international organizations;]
- b. Based on an ex ante process to [commit][identify] quantified support [relative to][commensurate with] the required effort [reflected in the adaptation and mitigation goals] and in line with [developing countries' needs][the needs of [developing countries][Parties not included in annex X]];
- c. [[The scale of provision of finance][It] shall be reviewed every [five][four] years in [the light of][line with] [a][the] dynamic assessment of [the] needs of developing countries and gaps in the delivery of financial resources;]
- d. [Based on clear burden-sharing arrangements among [developed country Parties][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];]
- e. [Including aggregate and enhanced [specific] [individual] [commitments] [contributions] by [developed country Parties][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];]
- f. Based on a [clear] road map with individual annual commitments for public funding [from developed country Parties] in the post-2020 period [or][and trajectory and] pathways with annual expected levels of climate finance [towards][for] achieving short-term quantified goals;
- g. [A short-term collective quantified goal [of USD 200 billion per year by 2030 should be committed to by developed country Parties, which][that] defines [how] the expected, scaled-up climate finance level for the post-2020 period [shall][should] be determined [every five years starting in 2020 on the basis of a floor of USD 100 billion per year,] in order to enhance the predictability of the provision of climate finance, indicating specific levels of funding from public sources to be provided[; this goal shall be regularly reviewed, and updated]]];²³
- h. [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;]
- i. [Progressively increased in accordance with the need for tackling climate change in developing countries].]

Option 2: Agreement not to specify individual / quantified commitments, quantified targets or specific indicators for the post-2020 period.] (paragraphs 92, 98, 101, 106, 115 in document FCCC/ADP/2015/1)

90. [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.]²⁴ (Paragraphs 93, 99 in document FCCC/ADP/2015/1)

[Contributions under the legal agreement]²⁵

91. [[**Option 1:** In the context of common but differentiated responsibilities and respective capabilities, [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] have the principle and main responsibility for providing support, including financial resources, for the enhanced implementation of low-emission and climate-resilient development in [developing countries][Parties not included in annex X], while ensuring the sustainability, predictability and additionality of finance.

Option 2: In the context of common but differentiated responsibilities and respective capabilities, developed country Parties have the responsibility to provide financial resources, including for the development and transfer of technology to developing country Parties for the enhanced implementation of

²³ Alternative placing proposal: *Commitments/contributions/action.*

²⁴ Alternative placing proposal: (dynamic implementation of) *Commitments/contributions/ actions.*

²⁵ NOTE: some Parties proposed to move current paragraphs 91 to 110 before the subsection on Addressing the scale of resources.

- the Convention, while ensuring the sustainability, predictability and additionality of finance.]²⁶ (*Paragraph 103 in document FCCC/ADP/2015/1*)
92. [Developed country Parties have the responsibility for providing financial resources, including for the development and transfer of technology to developing country Parties for the enhanced implementation of the Convention, while ensuring the sustainability, predictability and additionality of the financial resources.]²⁷ (*Paragraph 117 in document FCCC/ADP/2015/1*)
93. [All developed country Parties shall provide scaled-up climate finance to developing country Parties as a means to meet the goal of staying below a 2° C or 1.5° C temperature increase and to achieve the technological transformation required to that end, complemented by the support provided by other Parties in a position to do so, in line with the needs of developing countries and with common but differentiated responsibilities and respective capabilities.] (*Paragraph 110 in document FCCC/ADP/2015/1*)
94. [The actions taken by Parties in the mobilization of climate finance shall reflect and be dynamically adapted to future [changing][change in] needs, developments, and environmental and economic realities, reflecting evolving capabilities and responsibilities.]²⁸ (*Paragraph 82.4 in document FCCC/ADP/2015/1*)
95. [The contribution of resources under this agreement to consider predictable financial contributions by [developed country] governments [of Parties included in annex X][of Parties in a position to do so, considering evolving capabilities][of all countries in a position to do so]; increasing options for leveraging a greater share of the carbon market-related proceeds, including options for carbon pricing and raising contributions via alternative and innovative sources of finance.]²⁹ (*Paragraph 107 in document FCCC/ADP/2015/1*)
96. [All Parties with a commitment under Article 4, paragraph 3, of the Convention shall prepare, maintain, communicate and implement a financial component in their nationally determined contributions, including, as appropriate, quantified financial pledges, targets and actions to mobilize climate finance for developing countries and to assist the implementation of the NDCs of developing countries, primarily through the Financial Mechanism of the Convention. Developing country Parties may clarify in their NDCs the extent to which the implementation of their nationally determined contributions is dependent upon the provision of international financial support, technology transfer and capacity-building, including particular gaps and needs in this regard. The communication of the components pursuant to this paragraph shall follow the processes and timelines required for national budgets, taking into account the agreed communication channels and relevant guidance developed under the Convention.]³⁰ (*Paragraph 104 in document FCCC/ADP/2015/1*)
97. [In accordance with the principles of the Convention, developed country Parties will submit their intended nationally determined contributions of financial resources in their INDCs. Developing country Parties will submit their requirements for funds in their INDCs, for the same cycle.] (*Paragraph 105 in document FCCC/ADP/2015/1*)
98. [Each developed country Party and other Parties in a position to do so commit to communicate on an annual/biennial basis in the post-2020 period the scaled-up, quantified financial contribution they will provide to support developing countries in the effective implementation of mitigation and adaptation action, in the light of the transformational goal set forth in article XX above and the global goal set forth in article 5.3 above, which shall be considered and reviewed in accordance with section X.]³¹ (*Paragraph 111 in document FCCC/ADP/2015/1*)
99. [On the basis of solidarity and common sustainable development priorities and in accordance with their national circumstances and capabilities, developing country Parties are encouraged to prepare, maintain, communicate and implement South–South cooperation initiatives encompassing finance, technology development and transfer, and capacity-building with a view to assisting the implementation of the INDCs of other developing countries.] (*Paragraph 126 in document FCCC/ADP/2015/1*)
100. [Prioritizes the specific needs and special circumstances of the most / particularly vulnerable countries, including landlocked countries, recognizing the special circumstances of the LDCs and SIDS, giving priority to countries with the least capability][Take into account the urgent and immediate needs and special circumstances of the LDCs and SIDS.] (*Paragraph 82 option 1, paragraph 82.2 option (a) subparagraph m, paragraph 82 option 1, paragraph 82.1 option (a), sub-paragraph l in document FCCC/ADP/2015/1*)

²⁶ Alternative placing proposal: *Sources of finance.*

²⁷ Alternative placing proposal: *Sources of finance.*

²⁸ Alternative placing proposal: *Guiding principles.*

²⁹ Alternative placing proposal: *Sources of finance.*

³⁰ Alternative placing proposals: *Sources of finance; Addressing the scale of resources;*

³¹ Alternative placing proposal: *Addressing the scale of resources;*

101. [[A collective goal for support to be achieved by all Parties in order to][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.]³² (*Paragraph 109 in document FCCC/ADP/2015/1*)
- 101 bis. [Support the integration of climate objectives into other policy-relevant areas and activities such as energy, agriculture, planning and transport, national fiscal accounts, development policy and plans in line with country circumstances and in accordance with the countries' priorities.] (*Paragraph 82 option 1 paragraph 82.1 option (a) subparagraph c in document FCCC/ADP/2015/1*)
102. [Parties to reduce international support for high-carbon investments, including international fossil fuel subsidies.] (*Paragraph 81 in document FCCC/ADP/2015/1*)
- 102 bis. [Promote continuous efforts to 'climate-proof' investments, including relevant international public finance flows.] (*Paragraph 82 option 1 paragraph 82.1 option (a) subparagraph d in document FCCC/ADP/2015/1*)
103. [Encourages Parties to take steps to eliminate public incentives for high-carbon investments.]³³ (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph r in document FCCC/ADP/2015/1*)
104. [Parties shall work with and through national and international financial institutions in order to align investment decisions and policies with the objective of the Convention as stated in its Article 2 and to facilitate low-emission and climate-resilient pathways.] (*Paragraph 113 in document FCCC/ADP/2015/1*)
- 104 bis. [Enhance the addressing of climate change in [addition to] the coordination of development aid recognizing the importance of financing for adaptation.] (*Paragraph 82 option 1 paragraph 82.1 option (a) subparagraph e; paragraph 82 option 1 paragraph 82.2 option (a) subparagraph a (ii) in document FCCC/ADP/2015/1*)
- 104 ter. [Encourages South–South cooperation.] (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph h in document FCCC/ADP/2015/1*)
105. [**Option 1:** The enhancement of enabling environments, with respect for countries' national prerogative to choose their domestic climate policies, to be a commitment of all Parties, through:
- a. Enhanced national regulatory frameworks, including policies and measures;
 - b. The dedication of sufficient domestic resources by countries seeking support;
 - c. Putting in place conditions to mobilize, attract and absorb climate-related investments;
 - d. The provision of a price signal for emission reductions, including through payments for verified emission reductions.
- Option 2:** Agreement not to specify the enhancement of enabling environments as a commitment or obligation of Parties.
- Option 3:** All Parties are encouraged to enhance enabling environments in order to further mobilize private finance for scaling up climate finance, where donor countries should mitigate the risk of the private sector by public intervention, and recipient countries should make efforts to improve their enabling environments to attract investments.]³⁴ (*Paragraph 112 in document FCCC/ADP/2015/1*)
- 105 bis. [Develops and improves enabling environments for the enhanced mobilization of support.] (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph u in document FCCC/ADP/2015/1*)
- 105 ter. [Catalyse policy actions by governments such as enhancing][Encourages Parties to build effective] enabling environments and provides recognition of the importance of implementing low-carbon, climate-resilient development strategies and NAPs.] (*Paragraph 82 option 1 paragraph 82.1 option (a) subparagraphs f and o; paragraph 82 option 1 paragraph 82.2 option (a) subparagraph q; paragraph 82 option 1 paragraph 82.1 option (a) subparagraph f in document FCCC/ADP/2015/1*)
106. [**Option 1:** Financing for adaptation to be provided in the form of multilateral and/or bilateral financing, [including via][with a significant share of new multilateral funding for adaptation to be channelled through the Green Climate Fund]:
- 106.1. A balanced allocation between adaptation and mitigation, or a 50:50 balance between the support provided for adaptation and mitigation, or at least 50 per cent of support to be provided for adaptation activities[, including financing for joint mitigation and adaptation approaches, plans and actions];
 - 106.2. The use of levies for adaptation funding from any market-based mechanisms;

³² Alternative placing proposal: *Guiding principles; Addressing the scale of resources.*

³³ Alternative placing proposal: *Sources of finance.*

³⁴ Alternative placing proposal: *Sources of finance.*

- 106.3. Financial risk management instruments;
- 106.4. The Adaptation Fund, the LDCF and the SCCF, and including through support to enable the mobilization of private-sector financial flows for adaptation investments, with the GCF providing assurance of support for countries' adaptation efforts;
- 106.5. **Option (a):** Diverse sources, including private sources, engaged in the provision of financing for adaptation, with public finance to constitute the key instrument in increasing support for adaptation:
- a. Identification of sources and prioritization of public funding, as well as increase of private sector financial contributions for adaptation;
 - b. Encourage the International Civil Aviation Organization and the International Maritime Organization to develop a levy scheme to provide financial support for the Adaptation Fund.
 - c. In establishing the levy scheme, ICAO and IMO are encouraged to take into consideration the needs of developing countries, particularly the LDCs, SIDS and countries in Africa heavily reliant on tourism and the international transport of traded goods.³⁵

Option (b): Public sources primarily, with [supplementary][complementary] funding to be drawn from private [and][or] alternative sources.

- 106.6. The Conference of the Parties serving as the meeting of the Parties to this Protocol shall, at its first session, decide on a process to identify and implement new sources of finance for the implementation of this agreement, in particular for adaptation finance, and take a decision on these sources at its subsequent session.³⁶

Option 2: Financing for adaptation to be provided in the form of multilateral and/or bilateral financing, with a significant share of new multilateral funding for adaptation to be channelled through the Green Climate Fund;

- a. A balanced allocation between adaptation and mitigation; at least 50 per cent of support to be provided for adaptation activities; public sources are the primary sources of finance, with supplementary funding to be drawn from additional sources;
 - b. New and additional finance, independent of adaptation budgets, to be provided for the financing and operationalization of the Warsaw International Mechanism;
 - c. Will be regularly updated on the basis of an assessment of the needs of developing countries and gaps in the delivery of financial resources to developing countries and in the context of the agreed temperature goal;
 - d. Developed country Parties to provide developing country Parties with financial, technical and capacity-building support in order for them to efficiently and effectively fulfil the reporting requirements of this agreement.]³⁷ (*Paragraphs 116, 127 in document FCCC/ADP/2015/1*)
107. [[Support][Financial resources] provided [by developed country Parties] to [developing country Parties][Parties not included in annex X] for technology development and transfer and support provided to the Technology Mechanism to ensure the effective implementation of technology to be channelled [primarily] through the [GCF][operating entities of the Financial Mechanism][, [taking into account the roles of the public and private sectors in mobilizing finance for technology][primarily from public sources, with supplementary funding to be drawn from private sources].]³⁸ (*Paragraph 119 in document FCCC/ADP/2015/1*)
108. [Funding for sustainable development trajectories shall be provided by developed countries to developing countries through the climate resilience and sustainable development mechanism, articulating means of implementation, particularly in terms of funding for mitigation and adaptation following a needs-based approach and for technology transfer and development and capacity-building.]³⁹ (*Paragraph 120 in document FCCC/ADP/2015/1*)
109. [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

³⁵ Alternative placing proposal: *Sources of finance.*

³⁶ Alternative placing proposal: *Sources of finance.*

³⁷ Alternative placing proposals: *Sources of finance; Anchoring institutions under the legal agreement.*
NOTE: some Parties identified interlinkages with section E.

³⁸ Alternative placing proposals: *Guiding principles; Anchoring institutions under the legal agreement; Sources of finance.*
NOTE: interlinkages with section G were identified by some Parties.

³⁹ Alternative placing proposal: *Anchoring institutions under the legal agreement.*

X]] [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]]:

- 109.1. 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;
- 109.2. 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].⁴⁰ (*Paragraph 121 in document FCCC/ADP/2015/1*)
110. [**Option 1:** Funding for REDD-plus to be adequate, predictable and sustainable, with financing continuing to be provided, including via [[Annex II Parties][Parties included in annex Y] and 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], private and non-market-based sources and results-based finance;
- Option 2:** Developed country Parties and/or Annex II Parties and/or all Parties in a position to do so shall support the implementation of the Warsaw Framework for REDD-plus through the provision of finance from both public and private sources;
- Option 3:** Forest financing to be adequate, predictable and sustainable, with financing continuing to be provided by developed country Parties].⁴¹ (*Paragraph 122 in document FCCC/ADP/2015/1*)
111. [Results-based payments for REDD-plus activities should be transferred to developing country Parties through, inter alia, the Green Climate Fund and/or the new market-based mechanism in accordance with the Warsaw Framework for REDD-plus].⁴² (*Paragraph 123 in document FCCC/ADP/2015/1*)
- 111 bis. [Facilitates needs-based financing for joint mitigation and adaptation for the integral and sustainable management of forests and other sectors.] (*Paragraph 82 option 1 paragraph 82.2 option (a) subparagraph y in document FCCC/ADP/2015/1*)
112. [Developing country Parties implementing REDD-plus activities may utilize the positive incentives and results-based finance provided in accordance with the Warsaw Framework for REDD-plus and any other related decisions, to support the implementation of their nationally determined contributions].⁴³ (*Paragraph 124 in document FCCC/ADP/2015/1*)

[*Sources of finance*]

113. [**Option 1:** Financial resources to be mobilized and provided from primarily public sources, with supplementary funding to be drawn from private / alternative sources:
- 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;
 - [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];
 - 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;
 - [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].⁴⁴
- Option 2:** [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.]

⁴⁰ Alternative placing proposals: *Anchoring institutions under the legal agreement; Sources of finance.*
NOTE: some Parties identified interlinkages with section H.

⁴¹ Alternative placing proposals: *Anchoring institutions under the legal agreement; Sources of finance.*

⁴² Alternative placing proposal: *Anchoring institutions under the legal agreement.*

⁴³ Alternative placing proposal: *Anchoring institutions under the legal agreement.*

⁴⁴ NOTE: one group of Parties noted that the text contained in option 1, option (a), subparagraphs a to d could be potential decision material.

Option 3: [Financial resources to be provided by developed country Parties to developing country Parties.] Public [sources][sector financing] from developed country Parties[’ direct budget contributions] [shall be the primary source of resources][primarily], with [supplementary funding to be drawn from private / alternative sources in developed countries][other sources to be considered supplementary]. [Other financial sources in developed country Parties][different sources] to be considered on the basis of clear criteria in order to avoid incidence [on][and ensure fiscal sovereignty of] developing country Parties, and [to] ensure the sustainability, predictability and additionality of [sources][resources].]

113 bis. 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.⁴⁵
 - 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;⁴⁶
 - 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.⁴⁷ (*Paragraph 128 in document FCCC/ADP/2015/1*)

[Anchoring institutions under the legal agreement]

114. **Option 1:** [The Financial Mechanism of the Convention defined in Article 11 shall serve as the financial mechanism of the 2015 agreement;[the related funds established under the Kyoto Protocol will also serve as instruments of the legal agreement. This will also apply to all the rules and guidelines developed by the COP and the CMP in relation to the operation of the financial mechanism, its operating entities and associated funds and to the decisions related to the transparency and MRV of support[with the GCF acting as the main operating entity of the financial mechanism];
- a. The operating entities of the financial mechanism shall serve this agreement in line with their respective mandates, under the guidance of the COP and the CMP of the 2015 agreement;
 - b. Further coordination and rationalization of the operating entities under the Convention and this agreement shall be developed with a view to ensuring predictable, new, additional and adequate resources, including the transfer of technology for these funds.]
 - [c. Placeholder for financing loss and damage.]
 - [d. The climate resilience and sustainable development (CRSD) mechanism is established to promote climate resilience and sustainable development trajectories that combine adaptation to and mitigation of climate change and its impacts, articulating the means of implementation of the Convention, linking provision of finance, transfer and development of technology and capacity-building, and enhancing the actions of developing countries to achieve the objective of the Convention. To this end, the CRSD mechanism shall

⁴⁵ Alternative placing proposal: *Commitments/contributions/action*.

⁴⁶ Alternative placing proposal: *Commitments/contributions/action*.

⁴⁷ Alternative placing proposal: *Commitments/contributions/action*.

articulate the work of the financial mechanism, the technology mechanism and the capacity-building mechanism.]

[e. Institutional arrangements for REDD-plus finance [as per decision 10/CP.19];]

Option 2: The Financial Mechanism [of the Convention and its Kyoto Protocol][under Article 11 of the Convention] shall serve as the financial mechanism of the 2015 agreement:

[To receive funding from the GCF for implementation of the agreement, a Party must:

- a. Be a Party to this agreement, and
- b. Have fulfilled its reporting requirements as described in section I.]]⁴⁸ (*Paragraph 89 in document FCCC/ADP/2015/1*)

115. [Complementarity between the existing operating entities of the Financial Mechanism of the Convention will be determined in accordance with the relevant decisions of the Conference of the Parties and the COP/MOP of this agreement.] (*Paragraph 100 in document FCCC/ADP/2015/1*)
116. [The governing body to this agreement shall explore further options to simplify access procedures to funds, in particular for the LDCs and SIDS.] (*Paragraph 82.3 in document FCCC/ADP/2015/1*)
117. [The SCF shall assist the governing body of this agreement and be further strengthened:
 1. By enhancing its work on coherence and coordination and on rationalizing the Financial Mechanism.] (*Subparagraph vii of [Proposals for decisions related to anchoring institutions under the agreement] in document FCCC/ADP/2015/1*)
118. [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;]⁴⁹ (*paragraph 128 option 5 in document FCCC/ADP/2015/1*)
119. [[The GCF acting as the main operating entity of the Financial Mechanism for the implementation of this agreement.] The GCF shall be strengthened [by ensuring predictable, sustainable and adequate resources, including through the following resources] as follows:
 - a. Developed country Parties to provide a list of specific amounts / percentages reflecting the required share of climate finance to be provided to the GCF, subject to review and in [accordance with Article 11 and the arrangements between the COP and the Fund][line with the principle of burden sharing among developed country Parties];⁵⁰
 - b. [Developing linkages with the thematic bodies under the Convention and this agreement, in order to provide the GCF with the necessary expertise to serve its funding windows, both present and future;]
 - c. Funding windows to be established by the GCF on technology development and transfer and loss and damage;
 - d. The GCF replenishment shall be based on a specific financial target linked to the overall financial goal, in line with the temperature goal and the gap in the provision of finance to developing countries, [and] in the context of the need assessment and the temperature goal;
 - e. [Developed country Parties to provide 1 per cent of gross domestic product per year from 2020 and additional funds during the pre-2020 period to the GCF;]]⁵¹ (*Paragraphs 94, 96, 97 in document FCCC/ADP/2015/1*)
120. [Support / New and additional finance, independent of adaptation budgets, to be provided for the financing and operationalization of the Warsaw International Mechanism [and for alternative policy approaches to results-based actions such as through the joint mitigation and adaptation mechanism for the integral and sustainable management of forests, and the climate resilience and sustainable development mechanism].]⁵² (*Paragraph 118 in document FCCC/ADP/2015/1*)
121. [New institutional arrangements or strengthened institutional arrangements may be needed to serve this agreement.] (*Paragraph 90 in document FCCC/ADP/2015/1*)

[*Proposals for decisions related to anchoring institutions under the agreement*]

- i. [Clear roles should be agreed on the two existing operating entities of the Financial Mechanism of the Convention and coherence should be achieved in climate finance channelled through other financing institutions;

⁴⁸ NOTE: one Party indicated that, apart from the chapeaus of option 1 and option 2, the text contained in this paragraph could be potential decision material.

⁴⁹ Alternative placing proposal: *Contributions under the Legal Agreement.*

⁵⁰ Alternative placing proposals: *Commitments/contributions/action; Addressing the scale of resources; Sources of finance.*

⁵¹ Alternative placing proposals: *Addressing the scale of resources.*

⁵² Alternative placing proposals: *Commitments/contributions/action / Contributions under the Legal Agreement.*

- ii. The COP to be given the authority to adjust institutional settings, to take decisions on consolidating and coordinating institutions and processes, and/or to give guidance to the operational entities as needed, at a later stage;
- iii. Need for the simplification, improvement and rationalization of access, including direct access, especially for the LDCs and SIDS; and/or the harmonization of approval and accreditation processes between various channels and institutions leveraging potential non-climate-specific financing mechanisms and institutions; and/or the operation of all funds under the Convention to be transparent, competitive and based on rules, with operating criteria underpinning those rules that are compatible with the requirements of private investors, in order to effectively stimulate co-investment; and/or information on how all disbursements include provisions for ‘climate proofing’ measures;⁵³
- iv. The Financial Mechanism must continue to be main source of financing;
- v. The replenishment of the Financial Mechanism and its operating entities to be linked to IPCC scientific assessments;
- vi. Need to establish how the operating entities of the Financial Mechanism will work to implement the finance provisions of the new agreement and how the financial provisions will work with respect to other bodies or mechanisms under the Convention;
- vii. Regarding the GCF:
 1. The establishment of a window for REDD-plus;
 2. [The establishment of a window] for loss and damage;
 3. Need for: improved and prioritized access for the LDCs and SIDS and/or arrangements between thematic bodies of the Convention and the GCF to be strengthened;
 4. The GCF to operate under the guidance of the governing body in relation to activities developed under this agreement, and/or to support mitigation readiness activities in [developing countries] [Parties not included in annex X], and/or to capitalize on its knowledge of existing funds and increase its role by helping to finance some of the pipeline projects of those funds;
 5. The governing body of this agreement to: explore further options for simplifying the procedures for accessing funds from the GCF; and/or develop, jointly with the COP, specific additional modalities for the operation of the GCF with respect to activities developed under this agreement;
 6. The GCF, the main institution under the Financial Mechanism of the Convention, will aim for a 50:50 balance between mitigation and adaptation over time, which will also aim for a floor of 50 per cent of the adaptation allocation for particularly vulnerable countries, including the LDCs and SIDS.
- viii. Decision to address additional rules of the Financial Mechanism and institutions in supporting the implementation of the legal agreement, where appropriate.
- ix. [The SCF shall assist the governing body of the agreement[, in cooperation with existing bodies and activities under the Convention]]; (*Paragraph 89, option 1 subparagraph d in document FCCC/ADP/2015/1*)
- x. [Coordination to be further enhanced among contributors and between institutions[, including through the process initiated as per decision 10/CP.19]]; (*Paragraph 89, option 1 subparagraph e in document FCCC/ADP/2015/1*)

[New subsection on reporting:]⁵⁴

- 122. [An effective measurement, reporting and verification of support mechanism, including of all means of implementation, shall be developed.]⁵⁵ (*Paragraph 88 in document FCCC/ADP/2015/1*)
- 123. [Parties agree on a common transparency framework, applicable to all Parties, that shall promote transparency of support by providing information on the delivery, use and impact of support, as well as on the implementation of enabling environments.

The governing body shall elaborate further guidance related to the transparency framework of support while recognizing that it should evolve and improve over time.]⁵⁶ (*Paragraph 84 in document FCCC/ADP/2015/1*)

⁵³ Alternative placing proposal: *Sources of finance*.

⁵⁴ NOTE: some Parties identified interlinkages with section I.

⁵⁵ Alternative placing proposal: *Objective / Guiding principles*.

⁵⁶ Alternative placing proposal: *Commitments/contributions/action*.

124. [[[Annex II Parties][Parties included in annex Y] and 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] [developed country Parties] [to][shall] provide [Parties in need of assistance][developing country Parties][Parties not included in annex X] with financial, technical and capacity-building support in order for them to efficiently and effectively fulfil the reporting requirements of this agreement.]⁵⁷ (*Paragraph 125 in document FCCC/ADP/2015/1*)
125. [With regard to reporting:
- a. Parties to report on: support provided and mobilized, and methodologies utilized;
 - b. Recipient Parties to report on: efforts to improve enabling environments, support received and estimated results of support received; and domestic resources committed or allocated.] (*no paragraph number in document FCCC/ADP/2015/1*)
126. [All Parties report on the status of, and efforts to improve, their enabling environments and mainstreaming efforts.]⁵⁸ (*Paragraph 114 in document FCCC/ADP/2015/1*)
127. [The secretariat shall keep and update an online registry of the financial component communicated by Parties pursuant to paragraph 104 above, with a view to enhancing transparency on the mobilization and provision of finance, technology development and transfer and capacity-building to developing countries.]⁵⁹ (*Paragraph 108 in document FCCC/ADP/2015/1*)
128. [Placeholder for proposal to include subsection on MRV of climate finance that should also include a specific reference to a regular cycle of climate finance.] (*no paragraph number in document FCCC/ADP/2015/1*)

Option II.⁶⁰

79. [Developed country Parties and other Parties included in Annex I, to provide new, additional and adequate climate financing to assist developing country Parties in implementing their contributions and actions under the Convention and this agreement; funding for such climate finance shall come primarily from public sources, including grant-based funds. Funding from private and/or other sources shall in no way diminish the obligation of developed country Parties to provide financial assistance to developing country Parties in accordance with the terms of the Convention and this agreement. Funding from private and/or other sources shall be deemed to be entirely supplemental to funding from public sources.] (*Paragraph 79 of option II in document FCCC/ADP/2015/1*)
80. [Such climate financing shall be in a manner that facilitates the provision of assistance to developing country Parties for implementing their climate actions under the Convention and this agreement and that aims to achieve a balanced approach of at least a 50:50 allocation of financing for adaptation and mitigation to be achieved in the near term, while recognizing the importance of financing for adaptation.] (*Paragraph 80 of option II in document FCCC/ADP/2015/1*)
81. [The financial mechanisms shall continue to provide financial support from developed country Parties to assist developing country Parties in implementing the Convention and this agreement, and to establish windows of funds among the financial mechanisms established under the Convention, including, inter alia:
- i. The Adaptation Fund;
 - ii. The Loss and Damage Fund;
 - iii. The Least Developed Countries Fund;
 - iv. Funds supporting the transfer of technology.] (*Paragraph 81 of option II in document FCCC/ADP/2015/1*)

⁵⁷ Alternative placing proposal: *Commitments/contributions/action / Contributions under the Legal Agreement.*

⁵⁸ Alternative placing proposal: *Commitments/contributions/action / Contributions under the Legal Agreement.*

⁵⁹ Alternative placing proposal: *Commitments/contributions/action / Contributions under the Legal Agreement.*

⁶⁰ Proposed to replace the finance section contained in option I.