

SUBMISSION OF INDIA FOR CONSIDERATION BY THE STANDING COMMITTEE ON ELEMENTS IN THE DEVELOPMENT OF THE FURTHER GUIDELINES FOR THE FIFTH REVIEW OF THE FINANCIAL MECHANISM

The Government of India welcomes the opportunity to provide preliminary views on elements in the development of the further guidelines for the fifth review of the financial mechanism.

Recalling Articles 4 and 11 of the Convention, India is of the view that the elements of the fifth review should be comprehensive and oriented to the needs of Non-Annex I Parties for funding for mitigation and adaptation activities, including for technology development and transfer related to such activities.

In this context, India recalls the COP arrangement with the GEF as an entity entrusted with the operation of the financial mechanism of the Convention. With the advent of Green Climate Fund (GCF), special attention should be given to the arrangements between the COP and the GCF, which would jointly determine the aggregate funding requirements for the purpose of achieving the ultimate objectives of the Convention.

While the CoP could designate more than one operating entity of the financial mechanism, there is an urgent need of integrating and harmonizing the procedures followed by the operating entities in devising and using financial instruments as also in approval and disbursement of financial resources to developing countries. Subject to the model agreed by the CoP, all operating entities should review their current procedures in the areas of climate change and make them fully consistent with those developed by the GCF in this regard.

Arrangements under the GCF to provide resources for such activities should take fully into consideration the Convention text, including funding commitments of Annex II Parties. A significant amount of multilateral funding should flow through the Green Climate Fund.

Adaptation remains of highest priority to developing countries. Hence, particular attention is required for adaptation financing from all sources of financing. Significant

steps must be taken to finance the transfer of, access to and development of environmentally sound technologies and know-how, particularly with a view to strengthening the capacity in developing countries, for both mitigation and adaptation, in accordance with the principle of common but differentiated responsibilities and respective capabilities.

India expresses concern on the issues of current level of funding available for mitigation and adaptation action to achieve the objectives of the Convention. As the funding for mitigation and adaptation actions require substantially large amount of funding as per almost all available estimates and in contrary the availability of the funds through the existing financial mechanism are limited, the Parties to UNFCCC have to put more attention to solve these issues, by examining the sources of financing in scaling up the level of resources.

India also suggests that complete information on pledges viz: timelines, channels of funding be made available to Parties and underlines the need for these funds to be put into the Green Climate Fund in order to facilitate its early operationalization. India also feels that a framework of results based funding is not appropriate for multilateral financing for climate change. The funding should be based on assessment of needs of developing countries in order for the climate change to be addressed effectively. India also demand a complete accounting of fast-start finance (2010-2012) and the identification of pathways for mobilizing the scaling up of new and additional and predictable climate finance and the impact of sources of funds and incidence on developing countries;

The significant share of new multilateral funding for adaptation should flow through the Green Climate Fund and the GCF Board should be requested to balance the allocation of the resources of the Fund between adaptation and mitigation activities and develop clear and transparent guidelines for the purpose. The Standing Committee on Finance, while recommending to the COP on initial guidance to the GCF and on arrangements between the COP and the GCF, should keep in mind the balance between adaptation and mitigation.

The recommendation of Standing Committee to COP should also include the assessment of information related to the measurement, reporting and verification of support and enabling means provided by developed countries to developing country Parties under the Convention, based on the information contained in Annex I national communications and any other additional information; and information received from developing countries.

The Standing Committee on Finance, in its further guidelines to the 5th review of the financial mechanism, should have a fresh look at the status of the Adaptation Fund in the light of recent developments under the Convention and its Kyoto Protocol. India suggests that the Adaptation Fund may also be considered as an operating entity of the financial mechanism of the Convention with the dedicated task of addressing adaptation with the help of balanced allocation of resources available under the Convention.
