

G77 AND CHINA PROPOSED TEXTS TO THE NOTE BY THE CO-CHAIRS (NON-PAPER),
DATED 5 OCTOBER 2015

ARTICLE 6 (FINANCE)

Para. 1 (bracketed, as well as all other paragraphs of the co-Chairs' text, with G77 and China additions as options)

Para. 2 : In the implementation of (this agreement), developed country Parties and other developed Parties included in Annex II to the UNFCCC (the "Convention") shall provide and mobilize new and additional, predictable, accessible, sustained and scaled-up financial resources to developing countries to implement their climate change actions with respect to both mitigation and adaptation to contribute to the achievement of the objective of (this Agreement), meeting costs of adaptation, addressing loss and damage and including access to and transfer of environmentally-sound technologies and capacity-building , based on the principles and in accordance with the provisions of the Convention.

Para. 3 Developed country Parties and other developed Parties included in Annex II shall prepare and communicate biennially on the provision and implementation on the provision of financial resources, including quantitative and qualitative information on the projected levels of public financial resources to be provided to developing country Parties.

A short-term collective quantified goal by developed country Parties shall be (periodically) reviewed and assessed based on need and priorities identified by developing country Parties, in accordance with modalities and procedures to be developed by the CMA, in the context of achieving the objective of (this Agreement).

Para. 4 Public funds, distinct from ODA, will be the main source of financing, noting that sources may include a wide variety of sources, public and private, bilateral and multilateral as well as additional sources.

Para- 5 The provision and mobilization of financial resources by developed country Parties and other developed Parties included in Annex II shall represent a progression beyond their previous efforts, and financial resources shall be scaled up from a floor of US\$100 billion per year from 2020, including a clear burden-sharing formula among them, and in line with needs and priorities identified by developing country Parties in the context of contributing to the achievement of the objective (Article 2/XX) of this Agreement.

These resources shall be provided in a measurable, reportable and verifiable manner, and be based on clear road map with individual annual targets in the post-2020 period, with clearly identified pathways to annual expected levels of available resources towards achieving short-term quantified goals. It shall take into account an equitable regional distribution of financial resources and a gender-sensitive approach, and include the implementation of Articles 5 and 6 of the Convention.

Para. 6 The provision of these scaled-up resources, including for the transfer of technology, shall aim to achieve a balance of 50:50 allocation for mitigation and adaptation actions of developing country Parties, recognizing that financing for adaptation should be public and grant-based, taking into account the needs of developing country Parties which are particularly vulnerable to the adverse effects of climate change, including small island developing States, least-developed countries, and Africa, bearing in mind the country-driven strategies, priorities and needs of developing countries, including in relation to forests, technology development and transfer and capacity-building.

Paras. 7 /8/9- The provision of financial resources, including for the transfer of technology shall ensure facilitated and enhanced direct access, pursue a country-driven approach, delivered through simplified procedures, and continuous readiness support in particular to capacity-constrained developing countries, in particular LDCs and SIDs. It shall likewise ensure adequacy and predictability of resources, and avoid double counting.

Para. 10. The financial mechanism of the Convention, as defined in its Article 11, shall serve as the financial mechanism of (this Agreement), including the Green Climate Fund and the Global Environment Facility as its operating entities, in line with their respective mandates. Its operation shall remain open to be entrusted to other existing international entities. The guidance to the entity or entities entrusted with the operation of the financial mechanism of the Convention in relevant decisions of the Conference of the Parties, including those agreed before the adoption of this Protocol, shall apply *mutatis mutandis* to the provisions of the paragraph.

The Funds under the Convention such as the Special Climate Change Fund (SCCF) and the Least-Developed Countries Fund (LDCF), and the Adaptation Fund under the Kyoto Protocol to the UNFCCC (KP) shall also serve this Agreement. Other funds may be established under this Agreement as may be deemed necessary. These funds shall operate under the guidance and authority of the Governing body of (this Agreement) in relation to activities to be developed and implemented under this Agreement.

Para. 11 The Standing Committee on Finance of the Convention shall assist the (Governing body) of (this Agreement) in exercising its functions with respect to the financial mechanism of the Convention, in line with its functions and responsibilities established under the COP. Other thematic bodies of the Convention shall likewise assist the (Governing body of this Agreement), which may also establish other thematic bodies as may be necessary.

Para. 12 The (Governing body to this Agreement) shall ensure that adequate support is available to the International Mechanism to address Loss and Damage as defined in Article (XX), as well as to promote and support the development and implementation of approaches to address irreversible and permanent damage resulting from human-induced climate change.”