

17 June 2011

English only

Ad Hoc Working Group on Long-term Cooperative Action under the Convention

Fourteenth session

Bangkok, 5–8 April 2011, and Bonn, 7–17 June 2011*

Agenda item 3.4

Finance

Submissions from Egypt on behalf of the African Group

1. During the second part of the fourteenth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, the secretariat received two submissions from a group of Parties on agenda item 3.4. The secretariat was requested to issue a conference room paper containing these submissions.
2. The submissions are attached and reproduced¹ in the language in which they were received and without formal editing. The submissions have also been posted on the UNFCCC website.²

* The third part of the fourteenth session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention will be held in conjunction with the third part of the sixteenth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol. For further information see <http://unfccc.int/meetings/intersessional/panama_11/items/6092.php>.

¹ The submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the text as submitted.

² <http://unfccc.int/meetings/ad_hoc_working_groups/lca/items/6050.php>.

Africa's proposal on
Additional items to the G77 and China proposal on
ELEMENTS OF A DRAFT DECISION ON THE STANDING COMMITTEE OF THE FINANCIAL MECHANISM
OF THE CONVENTION

ON ROLES AND FUNCTIONS

- 1- improving coherence and coordination in the delivery of climate change financing, including through, *inter alia*:
 - (i) providing a forum for the exchange of information with relevant financial institutions, bilateral aid agencies, and UN agencies, outside the Convention, dealing with climate change financing on their climate-related funding activities, and assessing the information generated through the forum, including regarding the COP guidance;
 - (ii) Coordinating with other thematic bodies under the Convention to identify the gaps in implementation related to financial support.
 - (iii) assessing this information to consider its consistency with the guidance provided by the Conference of the Parties on policies, programme priorities and eligibility criteria in financing climate change;
- 2- Rationalization of the financial mechanism, including through, *inter alia*,
 - (i) Developing recommendations to rationalize the financial mechanism of the Convention and existing funds under it, for achieving cost-effectiveness and efficiency, and to avoid duplication of activities under these Funds, and ensure coherence of guidelines and modalities related to the accessibility,
 - (ii) Establishing a communication platform to advance coordination and coherence of funds under the Convention in order to improve the effectiveness of these funds through rationalization measures;
- 3- mobilization of financial resources, including through, *inter alia*
 - (i) Preparation of financial needs assessments of developing countries, based on information received from developing countries, and including through, information received from other thematic bodies under the Convention, reports on the needs and estimates of the cost of climate change by UN bodies and other Multilateral financial institutions, and any other sources of information the Committee considers;
 - (ii) Providing recommendation on the new and supplementary sources of funding, their technical feasibility, accessibility, and their impact and incidences on developing countries;
 - (iii) Development of recommendations on indicators related to burden sharing between developed country parties, including through an assessed scale of contributions of developed country parties.
- 4- measurement, reporting and verification of support provided to developing country Parties, including through, *inter alia*,
 - (i) the assessment of information related to the measurement, reporting and verification of support and enabling means provided 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.
 - (ii) providing recommendations on the amount of funding necessary and available for the implementation of the Convention, based on information received by : parties through different reporting channels under the Convention , relevant thematic bodies, and the conditions under which that amount shall be periodically reviewed;

On membership and participation (para 7 of G77 proposal)

- Further decides that the Standing Committee will establish a process to facilitate the participation of representatives from the private sector, relevant bilateral, regional and multilateral funding entities, and other observer organizations accredited to the UNFCCC as observers.

Africa proposal – 16/06/2011 16:00

*Draft decision
on
Long term, scaled up, new and additional, predictable and adequate funding
to developing countries*

The Conference of the Parties at its 17th Session,

Recalling Article 4 and Article 11 of the Convention ;

Recalling also the Bali Action Plan (decision 1/CP.13) which called for enabling the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012 ;

Reiterating paragraph 97 of decision 1CP/16, that in accordance with the relevant provisions of the Convention, scaled up, new and additional, predictable and adequate funding shall be provided to developing country parties, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change;

Reiterating paragraph 18 of decision 1/CP.16 that requested developed country parties to provide developing country parties, with long-term, scaled-up, predictable, new and additional finance, technology and capacity-building consistent with relevant provisions, to implement urgent, short, medium, and long term adaptation actions, plans, programmes and projects at local, national, sub-regional and regional levels, in and across different economic and social sectors and ecosystems;

Reiterating the need for enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation;

Recognizing that providing support in particular financial support to developing countries is indispensable for the implementation of the Convention, and the relevant decisions of the Conference of the Parties, and that the extent of developing country parties actions in dealing with climate change is dependent on the extent to which finance, technology and capacity building support is made available to them by developed country parties;

Taking note of the relevant reports on financing needs of developing countries, and reports on options for mobilization of resources to address those needs.

Decides

1. That adequate and predictable financial support shall be provided to developing countries based on their needs.
- 2- That in accordance with article 4.3 of the Convention, and to ensure adequacy and predictability of the flow of support to developing countries, a burden sharing mechanism established to identify the flows of financial support from developed countries, including through the application of assessed scale of contributions of developed countries.
- 3- That main source of funding will be public sources, supplementary funding may come from private sources, as well as through multilateral and bilateral channels, with a view to develop modalities to facilitate MRV of the flows of the supplementary sources.
- 4- New and additional financial support provided by developed country parties to developing countries will be replenished from wide variety of sources, mainly public sources, and including through :

- i. Public sources building up on the commitments of the fast start finance identified in paragraph 95 of decision 1CP/16, and reaching at least 100 billion USD annually in 2020, based on assessed scale of contributions;
 - ii. Predictable and sustainable financial resources reaching (x)% annually of all annex I GDP by 2020, based on assessments reports of the needs of developing countries.
 - iii. Other potential supplementary sources of finance including market based, alternative and innovative sources.
 - 5- That direct and facilitated access of all developing countries to financial resources will be guaranteed by COP decisions.
 - 6- That equitable allocation of financial resources will be followed, including through criteria based on geographical and/or needs, including urgent and immediate needs related to climate change, while ensuring balance between adaptation and mitigation.
 - 7- To establish a work program in order to further elaborate on all the elements identified in paragraphs 1 to 6 of this decision, with a view to prepare a draft decision for the consideration of the Conference of the Parties at its 18th session.
 - 8- Requests the Secretariat to prepare a compilation and synthesis report, for the consideration by parties through the work program, on:
 - i. Different assessments and evaluations of the financial needs of developing countries.
 - ii. Options for mobilizing and identifying sources of long term financing by developed countries, and their impacts and incidences on developing countries.
 - 9- Invites Parties, observers, international financial institutions and relevant UN agencies to submit their views by the May 15th 2012, on the financial needs of developing countries, public and private sources, and other sources of long term financial resources, and their technical feasibility, applicability, and adequacy.
-