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

Fourteenth session, part three
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Agenda item 3.4
Finance

Submission by the European Union on long-term finance

1. On 6 October 2011, the secretariat received a submission from the European Union. The secretariat was requested to issue a conference room paper containing this submission.

2. This submission is attached and reproduced[1] in the language in which it was received and without formal editing. The submission has also been posted on the UNFCCC website.[2]

[1] This submission has been electronically imported in order to make it 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/4578.php>.

EU proposal on long-term finance

Recalling Article 4 of the Convention;

Recalling 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;

Recalling further that developed country Parties committed, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020;

Reiterating that funds provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including innovative sources; *Stresses* that innovative sources, such as carbon pricing of global aviation and maritime transportation, have the potential to generate large financial flows;

Reaffirming the role of the private sector in providing finance for climate-related investments in developing countries, highlighting that a robust carbon market is required, which drives the carbon price necessary for low-carbon investment, to achieve global mitigation objectives in an efficient way and to support the level of private and public sources required;

Acknowledging that the role of the private sector should be strengthened by further efforts to address regulatory barriers and through developing policy frameworks necessary to leverage private climate finance, including an efficient international carbon market.

Recognising the importance of public finance in supporting climate-related investments in developing countries, including adaptation measures in the most vulnerable and least developed countries;

Acknowledging the need for scaling up climate finance from 2013 towards 2020, in the context of meaningful mitigation actions and transparency on implementation with a view of reducing global greenhouse gas emissions so as to hold the increase in global average temperature below 2°C above pre-industrial levels;

Decides to work, on the identification of sources for long-term finance from public finance, including innovative sources, and private finance, and a combination thereof, to be mobilized in order to achieve the long-term financing goal of 100 billion USD in the context of meaningful mitigation action and transparency in implementation; thereby addressing the conclusions and recommendations of all relevant reports including the report of the High-level Advisory Group on Climate Change Financing and the report on mobilizing climate finance in the context of G 20.