Submission by Bolivia on behalf of the Like-Minded Developing Countries (LMDC)
03 June 2025

Dear Executive Secretary, SBI Chair, and COP Presidency,

Proposal

In accordance with Rule 10(d) of the draft Rules of Procedure of the Conference of the Parties and its Subsidiary Bodies[1], Bolivia hereby submits a proposal on behalf of the Like-Minded Developing Countries (LMDC) to include the following agenda item in the provisional agenda of SBI 62, COP30, CMP20 and CMA7:

"Implementation of Article 9.1 of the Paris Agreement"

Rationale for the proposal

The Paris Agreement aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty in a manner that reflects equity and the principle of common but differentiated responsibilities and respective capabilities in the light of different national circumstances. The manner in which nationally determined climate action needs to be taken to achieve the goals of the Paris Agreement is outlined within Article 3, followed by Articles 4 and 7.

Concomitantly, the Paris agreement has also been well cognisant of the fact that, given the developmental needs, developing countries have limited resources for their climate action and they need to be provided with adequate support by developed country Parties to implement their national plans. In this context, Article 9 specifies how financial resources should be made available to these countries.

Despite the urgency in meeting the goals of the Paris Agreement, one of the key sub-paragraphs, 9.1, has yet to be implemented, even after 10 years since the agreement's adoption.

Article 9.1 mandates that "*Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention*".

The following aspects bring out the imperatives for implementing Article 9.1:

A. Article 9.1 is a mandatory obligation

1. Article 9.1 of the Paris Agreement is a mandatory obligation on the developed countries to provide financial resources for climate action to the developing countries. Articles 4.5 and 7.13 mandate that support shall be provided to developing countries in accordance with Article 9 for the implementation of nationally determined climate actions outline in line with Article 3 covering areas delineated in Articles 4 and 7.

[1] FCCC/CP/1996/2, at https://unfccc.int/sites/default/files/resource/02_0.pdf

2. The obligation under Article 9.1 is in continuation of the obligations outlined under the Convention. The latter mandates (Article 4.3 of the Convention) that new and additional financial resources shall be provided to developing countries to meet the full cost of complying with the obligations under the Convention.

3. The Decision 1/CMA.6 reaffirms Article 9 of the Paris Agreement, the key component of which is the obligation of the developed countries to provide financial resources to developing countries. It is crucial to establish a follow up process and mechanism to ensure the full and effective implementation Article 9.1. Ten years after the adoption of the Paris Agreement, the international community cannot afford further delay in operationalizing this critical article.

4. The current reporting by the developed countries does not provide adequate clarity on the extent of support provided by them in terms of quantity, quality and project-based assistance under Article 9.1.

5. The unfulfillment of Article 9.1 creates an unbalanced implementation of all provisions of the Paris Agreement, including, for example, regarding non-market based approaches as established in its Article 6.8 noting that the Paris Agreement and all of its Articles can only be fully operationalized and implemented if the obligation of provision of public finance from developed countries to developing countries in the context of Article 9.1 is fully implemented and operationalized.

B. Extent of Climate finance required by the developing countries

As per the latest Needs Determination Report by SCF, the costed needs for nationally determined contributions of developing country Parties are at USD 5.1–6.8 trillion up until 2030, and adaptation finance needs are at USD 215–387 billion annually up until 2030. The current estimates are likely lower than the actual needs as a large part of the needs have not been costed by developing countries. The needs of developing countries run into trillions of dollars, and the mobilisation potential of developing countries have been incomparably lower.

C. Lack of finance provided and mobilised for developing countries

1. The emphasis of developed countries has only been to mobilise resources (Article 9.3). Even these are minimal, limiting the availability of climate finance for developing countries. Their efforts do not take into account that public resources form the basis for the mobilisation of finance. Grants and concessional finance from the public sector of the developed countries can catalyse resource mobilisation at an affordable cost, thus driving mobilization while increasing direct provision to advance climate action.

2. While there is an increasing recognition in the global dialogue regarding the pivotal role private capital can play in addressing the climate finance needs of developing countries, this narrative overlooks the high-risk perception for developing countries, resulting in a high cost of capital, thus impeding ambitious climate action. These discussions also overlook the fact that private sector actors are not accountable to the

UNFCCC and its Paris Agreement and cannot be relied upon to consistently and effectively deliver climate finance to developing countries. In the absence of financial resources from developed countries on a grant or concessional basis, further mobilisation is significantly obstructed in terms of volume and quality of resources.

3. It is also a fact that developing countries require ex-ante information on the likely scale and cost of finance flows. The lack of predictability in climate finance availability and cost affects the ability of developing countries to build a pipeline of bankable projects.

4. Beyond the mobilization of USD 300 billion per year, provision of finance in accordance with Article 9.1 is needed to address the needs and priorities of developing countries. The achievement of Article 9.1 does not only require additional public funding to achieve higher mobilization in the context of the USD 300 billion per year, it is needed to achieve enhanced support beyond the USD 300 billion per year and in the context of the USD 1.3 trillion per year aspiration. Finally, enhanced support through Article 9.1 is necessary to triple the outflows of the operating entities of the Financial Mechanism and the Adaptation Fund and to make up the arrears from the USD 100 billion per year goal.

The world is at a tipping point, and developing countries are most vulnerable to the adverse effects of climate change and the response to it; immediate action is required to support developing countries. The absence of adequate and affordable financial support to facilitate mobilisation of finance is the major roadblock to climate action by developing countries. The significance of public sector finance of developed countries in providing concessional financial support to developing countries cannot be overstated.

Therefore, in this context and the spirit of international cooperation to meet the goals of the Paris Agreement, it is pertinent to decide the pathway to implement Article 9.1 in COP 30, which marks the tenth year of the Paris Agreement and when new NDCs have been or are being submitted. COP 30 and CMA 7 must present an opportunity for Parties to decide on the ways to implement Article 9.1 in a manner that provides additionality, predictability, concessionality and transparency from developed countries, for developing countries.