

3 October 2011

English only

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

**Fourteenth session, part three
Panama City, 1–7 October 2011**

Agenda item 3.4

Finance

**Submission by the Alliance of Small Island States on sources
of long-term finance**

1. On 3 October 2011, the secretariat received a submission from the Alliance of Small Island States. The secretariat was requested to issue a conference room paper containing this submission.
2. This submission is attached and reproduced¹ 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>.

AOSIS draft decision on sources of long-term finance

The Conference of the Parties,

Recalling the article 4 of the Convention,

Also recalling paragraph 1 e) of the Bali Action Plan, Decision 1/CP.13,

Reaffirming that scaled up, predictable, new and additional, and adequate funding shall be provided by developed country Parties to developing country Parties, in accordance with principles and provisions of the Convention, to enable and support enhanced action on mitigation, adaptation, capacity building and technology development and transfer in developing countries, for enhanced implementation of the Convention,

Recalling the commitment of developed country Parties to the goal of mobilizing jointly USD100bn per year by 2020, to enable and support enhanced action on mitigation, adaptation, technology development and transfer and capacity building, as contained in para 97 of the Cancun Agreement,

Recognizing that this commitment might be insufficient to fully address the needs of developing country Parties, given that recent estimates of international financial flows and investments required to address adaptation, mitigation, technological and capacity-building needs of developing countries are in the range of several hundreds of billions of USD a year,

Emphasizing that the main source of funding shall be public financial resources provided by developed country Parties, and that public finance should be prioritized for supporting adaptation activities in developing country Parties particularly vulnerable to the adverse effects of climate change.

CAPITALISATION OF THE GREEN CLIMATE FUND

1. *Agrees* that a significant portion of new multilateral climate financing should flow through the Green Climate Fund; and that allocation of these resources should be balanced between adaptation and mitigation;
2. *Welcomes* the initial pledges made by some developed country Parties towards the initial capitalization of the Green Climate Fund and *encourages* other developed country Parties to contribute to the Fund to ensure its rapid operationalization;

POST-2012 CLIMATE FINANCE PERIOD

3. *Decides* that developed country Parties should significantly scale-up their provision of predictable, new and additional, and adequate finance, without reduction, from present levels to at least USD100 billion per year as soon as possible and no later than 2020 as a means to ensure there is no climate change financing gap between 2012 and 2020;

WORKPROGRAMME

4. *Also decides* to accelerate and intensify work, in the context of the AWG-LCA, on identifying, a wide variety of public and private, bilateral and multilateral sources of long term financing, including innovative sources, of at least USD100bn by 2020, with the aim of adopting a decision on sources of long term finance that can be accounted for the fulfillment of developed countries financial commitments, at the 18th session of the COP;
5. *Adopts* the work programme on sources of long-term finance and the indicative schedule of workshops contained in the annex to this decision;
6. *Invites* Parties, international financial institutions and relevant UN agencies to submit their views by the March 31st 2012, on preferred sources of long-term financial resources, including innovative sources; their technical feasibility, applicability and potential incidence on developing country Parties;
7. *Requests* the secretariat to compile and prepare a synthesis of submissions by Parties including scenarios of likely volumes of funding given Parties' preferred options, in time for consideration by the AWG-LCA at its next session;

TRANSPARENCY

8. *Further decides* to commence work on a new framework to ensure greater transparency and consistency in reporting on the provision of long term financing by developed country Parties, taking into consideration lessons learned from the fast-start financing period and the Expert Reviews of developed country Parties National Communications.

ANNEX

Indicative schedule of activities on sources of long-term finance

Date	Event	Outputs	Inputs
28 Nov- 9 Dec 2011	COP 17, Durban, South Africa	Adopt a work programme and an indicative schedule of workshops/activities on sources of long term finance	- G20 communiqué - WB/Bill Gates reports - AGF report - Other relevant reports
31 March 2012			Parties submissions
Next meeting of the AWG-LCA XX XX 2012	Technical workshop		Compilation and synthesis of submissions by the Secretariat
SB session 14 May - 25 May 2012	Technical workshop		- Report from previous workshop - External experts
Inter-sessional XX XX 2012	Technical workshop		- Report from previous workshop - External experts
XX XX 2012	COP 18	Adopt a decision on sources of long term finance that can be accounted for the fulfillment of developed countries financial commitments	