

TASK SHEET ON FINANCE

1. Article and topic:

Art 6.1 option I paragraphs 1, 2, 3, 4; Art 6.1 option II paragraph 1, Art 6.5, 6.6, 6.7, 6.9, 6.9bis, 6.15, 6.16, 6.17, 6.18, 6.19 and paragraphs 47, 48, 48 bis, 49, 52, 56, 57 (actions / commitments)

Text:

Option I:

1. [Over time, [all] finance flows should [promote][and][be consistent with] the transformation to low-emission and climate resilient societies and economies.]
2. [To this end, all Parties shall take action to mobilize, and/or facilitate the mobilisation of, climate finance in line with their respective and evolving responsibilities and capabilities. Some Parties may need support in order to take action.]
3. [The actions taken by Parties in the mobilization of climate finance shall reflect and be dynamically adapted to future changes in needs, developments and environmental and economic realities, reflecting evolving capabilities and responsibilities.]
4. [[Developed country Parties should take the lead and][Developed country Parties[, Parties with economies in transition] [and Parties [in a position][with capacity] to do so]] [All Parties [in a position][with capacity] to do so] [shall][should][other] provide support to assist developing country Parties with respect to both mitigation and adaptation [and others in a position to do so should complement such efforts].]

Option II:

1. [In the implementation of this Agreement, developed country Parties and other developed Parties included in Annex II to the Convention shall provide and mobilize new and additional, adequate, predictable, accessible, sustained and scaled-up financial resources to developing countries to enhance the implementation of their policies, strategies, regulations, and action plans and 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.] *{This paragraph would replace option I paragraphs 1 to 4}*
5. [Parties [[shall][should][other] take appropriate steps to][should promote the mobilization of climate finance from a wide variety of instruments and channels, including public, private, bilateral, multilateral, domestic, and international. In this regard]:
 - (a) [Recognizing the importance of mobilizing domestic resources [in the first instance], Parties [in a position][with capacity] to do so should provide support to assist developing country Parties in need of support with respect to both mitigation and adaptation;]
{Substantive overlap with option 1 paragraph 4 and option 2 paragraph 1}
 - (b) Parties [shall][should] strive to improve domestic [and international] enabling environments [and policy frameworks] to [attract] [and] [mobilize] low-emission, climate-resilient [finance and] investment, noting that cooperative action and support may enhance such efforts;
 - (c) [Parties should] [prioritize the provision of] [recognize the importance of providing] [the most concessional finance] [grant-based [and concessional finance][support]] to the poorest, most vulnerable, and/or those with the least ability to mobilize other resources, [including][especially] for adaptation[, with priority given to financing for activities that are readily implementable, scalable, results based and deliver co-benefits];]
 - (d) [Prioritize financial support for results-based payments for verifiable achieved emission reductions related to existing approaches under the Convention;]
 - (e) [Parties should integrate climate considerations, including resilience, into their domestic development plans, international development assistance, and domestic and international investments;]
 - (f) [Parties should [reduce international support for high-emission [and maladaptive] investments] [and[/or]][or] [enhance international support for low-emission and climate-resilient investments].]

6. [Parties [shall][should][other] explore options for simplifying procedures for accessing support [and improving readiness], in particular for the LDCs and SIDS.]
7. [Parties [shall][should][other] implement and improve where necessary the pricing of greenhouse gas emissions.]
9. [[Parties] [recognize][recognizing][note][noting] [the [desirability][role] of][that sources may include] a wide variety of sources, public and private, bilateral and multilateral, including [alternative][additional] sources[, noting the need for a diversity of sources and instruments to fit recipients' changing economic circumstances].]
- 9bis. [Public funds, distinct from Official Development Assistance, will be the main source of financing, noting that sources may include a wide variety of sources, public and private, bilateral and multilateral, including additional sources to meet developing country needs for mitigation and adaptation actions. In the mobilization of finance from various sources, Parties shall abide by the principles of fiscal sovereignty and avoid incidence on developing country Parties[, particularly disguise distortions to trade].]
15. [[Parties][The provision of [support][these scaled-up resources]] [should][shall] strive to [achieve a] balance [of] [adaptation support [relative to][and] mitigation support][50:50 allocation for mitigation and adaptation actions of developing country Parties], [bearing in mind][taking into account the] country-driven strategies, priorities and needs [of developing country Parties which are particularly vulnerable to the adverse effects of climate change, including small island developing States (SIDS), least-developed countries (LDCs), and Africa].]
16. [Parties recognize that financing for adaptation should be public and grant-based.]
17. [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.]
18. [The CMA 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.]
19. [Parties may transfer mitigation outcomes for the purpose of fulfilling commitments and supporting actions under this Agreement in accordance with relevant COP decisions.]
{Placement proposal: mitigation Article of the Agreement section}

Related decision paragraphs:

47. [Decides to establish a process for the consideration of new and alternative sources of finance beyond existing bilateral and multilateral sources, in accordance with the terms of reference to be developed by the COP at its twenty-second session, with a view to the COP taking a decision on this matter at its twenty-third session;]
48. [Requests the IPC to prepare a recommendation to the CMA regarding the creation of a process, which should include biennial in-session workshops, to consider progress in relation to the efforts referred to in Article 6, paragraph 5, of the Agreement;]
- 48 bis. [Decides to create a process, which will include annual in-session workshops, to consider progress in relation to the efforts of Developed Country Parties and other Parties included in Annex II of the Convention related to ensuring the balance of the provision of financial resources for adaptation relative to mitigation and in line with developing countries strategies, priorities and needs and to the efforts to improve adequacy and predictability of resources and avoid double counting;]
[Further decides that the process referred to in the paragraph above will assess current procedures for simplifying support for developing countries that are particularly vulnerable to the adverse impacts of climate change, including the LDCs, SIDS and Africa;]
[Requests the secretariat to organize and prepare a summary of the annual in-session workshops referred to in paragraph 48 bis above for consideration by the CMA;]
49. [Also requests the COP presidency to appoint co-chairs of the process referred to in paragraph 48 above, and requests the co-chairs, with the support of the secretariat, to organize and prepare a summary of the biennial in-session workshops referred to in paragraph 48 above for consideration by the CMA;]
52. [Decides to consider ways to enhance the effectiveness of climate finance;]

56. [Decides that the significant share of new multilateral funding for climate change actions should flow through the Financial Mechanism of the Convention and the Funds established under the Convention and its Protocol;]
{Placement proposal: to be discussed under COP agenda item on long-term climate finance}
57. [Decides that adequate, predictable and sustainable financial resources for the implementation of REDD+ activities, including for results-based payments, shall be provided by Parties pursuing the coordination of support to, inter alia, public and private sources, including the Green Climate Fund in accordance with relevant decisions by the COP;]

2. Task

Find solutions and clean text.

3. Working mode

Spin off work – Facilitated by Georg Børsting and Diann Black-Layne
