

CAN “Moneyfesto”

Real money for real action

Why does it matter?

2018 is the year to ensure full implementation of the Paris Agreement and put the world on track to meet agreed climate goals. Almost all countries from the North and South are engaging constructively and in good faith towards progress on the Paris rulebook and the Talanoa process. Ambitious and transformative outcomes in both areas are crucial to enhance climate ambition and ensure the Paris Agreement fulfills its potential.

But the outcome is still uncertain. The resounding silence from most developed countries on the \$100 billion commitment by 2020, combined with the loud rejection of finance and other commitments by the US, is taking its toll. What many continue to ignore is that climate finance could well be the missing piece of the puzzle to unlock progress and achieve success at COP24.

By providing real money for real action, countries not only contribute to building a regime based on mutual confidence and trust, they also contribute to the implementation of policies to close the emissions gap and help the most vulnerable adapt to the impacts of climate change and build resilient societies. Most importantly, such support gives vulnerable countries the means to fully implement their NDCs, including the conditional parts, and therefore fulfil the objectives of the Paris Agreement. Support is a crucial part of creating the conditions for a concerted and coordinated global effort to improve NDCs and avoid condemning the planet to a climatic disaster.

In 2018, rich countries cannot ignore the elephant in the room. Instead, they need to recognize the urgency to seriously address the issue and make climate finance a priority at the highest levels of government. Only then will all countries be able to live up to the promises of COP21 and bring to life an ambitious, sustainable, just and robust Agreement.

How can we make progress?

By COP24, the following essential elements need to be unlocked to provide real money for real action:

Build confidence that existing commitments will be met in a fair and robust way to ensure the implementation of the Paris Agreement:

- Contributor countries should strongly reaffirm the collective commitment to mobilize US\$100bn per year by 2020 and back it up with concrete pledges, especially on adaptation finance. Countries that do not currently have commitments to balance their adaptation and mitigation finance by 2020 need to commit to significantly increasing adaptation finance.
- To make these commitments real, they will need to agree by the end of the year on robust accounting rules for climate finance which provide full transparency on actual assistance provided to developing countries – crucially this must include counting loans on a grant equivalent basis.

Lay the ground for more predictable, sustainable and scaled up climate finance:

- At the upcoming GCF board meeting, all countries should agree on and start a transparent, open and inclusive replenishment process, while continuously working on improving the fund's governance. Contributor countries should demonstrate their willingness by considering to at least double the overall scale of the next replenishment.
- To build long-term trust, countries also need to agree on new measures to improve the predictability of finance provided to developing countries and agree on a process to determine a new and ambitious climate finance target by 2025.

In order to achieve these two objectives, countries need to put climate finance front and center in key upcoming international political moments including the G20 and IMF/WB meetings.

Who should make the first step?

The first step is always the hardest to take. Countries like Sweden and Norway have historically punched above their weight. We will expect them to continue to do so, and others to raise their game. Countries like Australia, Canada, Norway and New Zealand, as well as Germany, France and Japan, have the capacity to lead the way. Ahead of and during COP24, they need to show they are ready to make 2018 the year to step up their climate finance efforts.