



CAN intervention Durban Outcome on Long-term Finance

Panama, October 2, 2011

Thank you Mr Chair

The last session on finance in Bonn was dominated by discussion of the Standing Committee. Architecture and institutions are important, but without progress on long-term sources of finance the Standing Committee will be left without real purpose. Negotiations need to also focus on the critical issue of where climate finance is going to come from and how it will be scaled up to ensure the Green Climate Fund is not an empty shell and the commitment to \$100bn is met.

A decision on long-term finance in Durban must include at least three elements:

1. **A roadmap for scaling-up climate finance from 2013 to 2020** to at least meet the \$100 billion per year commitment. This must include:
 - A commitment that there will be **no gap after the end of the Fast Start Finance** period.
 - **A commitment to at least \$20bn in public finance in 2013** scaling up by at least \$10bn per year up to 2020.
 - Recognition that the \$100bn commitment should be **public finance**, which should come first and foremost from assessed budget contributions of developed countries, but may also come from supplementary sources of public finance, such as carbon pricing of international transport, or financial transaction taxes.
 - **A work plan** including submissions and workshops in 2012 and leading to further decisions at COP-18.
2. **A commitment to the initial capitalisation of the Green Climate Fund.** This must include:
 - a commitment to the funding needed to complete the full operationalisation of the Fund over the next year – including for the **formation and running costs of the Board and Secretariat**
 - a commitment to a **substantial first tranche of programmatic funding** to ensure that the Fund is able to commence disbursement of climate finance to developing countries **from 2013**.
3. **A decision to move ahead with the most promising sources of finance** – the low-hanging fruit in our efforts to scale-up climate finance. There is no reason to delay all decisions for another year. This must include:
 - a decision (under Sectoral Approaches) to **guide the International Maritime Organisation** to design a carbon pricing instrument for international shipping that takes account of the **principle of CBDR** by ensuring that **revenues are**

directed both as compensation to developing countries for their incidence, and **to the Green Climate Fund**. At least \$10 billion per year for the Green Climate Fund should result.