

China's Submission on Long-term Finance

In accordance with paragraph 5 of FCCC/CP/2012/L15, China would like to submit the following views on long-term finance related issues, taking note of co-chairs' report on the workshops of the work programme on long-term finance in 2012.

1. Long-term finance shall function under the Convention and decide on its work program in full accordance with principles, provisions and objectives of the UNFCCC, in particular the principles of equity, common but differentiated responsibilities and respective capabilities. Finance, as one of the pillars of the Bali Action Plan and unfinished task under the Bali mandate, is of great importance to achieve an effective and timely implementation of Bali Action Plan, and more importantly, to advance the progress of the work of Durban Platform. In view of the fact that Durban Platform is a comprehensive process, adequate attention to climate finance is needed.

2. The developed country Parties are urged to fulfill their commitments under the Convention related to financing, including for transfer of technologies and meeting the increasing costs and urgent need of developing countries' mitigation and adaptation actions. The developed country Parties, therefore, shall provide significantly scaled-up financial resources that are new, additional, predictable and adequate, to developing country Parties, in order to enable and support their enhanced action on mitigation, adaptation, technology development and transfer and capacity-building with a balanced allocation between mitigation and adaptation.

3. The major sources of long-term finance shall be public sources, mainly from direct budget contribution of developed country Parties and additional to the existing ODA. The direct and facilitated access to these financial resources shall be guaranteed. Private sources and carbon market revenue could play a supplementary role. All the financial resources shall be subject to measurement, reporting and verification procedures. Any potential sources shall be excluded if they constitute obstacles against developing country Parties' aspirations for economic and social development as well as poverty eradication and employment creation.

4. The provision of funding shall be further scaled-up from the fast start finance of 30 billion USD to at least USD 100 billion per year no later than 2020. Developed country Parties shall further provide funding no less than the average annual level of the fast-start finance period for 2013-2015, to ensure that there is no gap in the provision of climate financing to developing country

Parties between 2013 and 2020.

5. With this end in view developed country Parties, in the context of the implementation of their commitment referred to in decision 1/CP.17 and decision 1/CP. 18, shall provide projected trajectories and milestones set for delivering on their commitment of mobilizing jointly USD100 billion per year by 2020 as well as detailed information on their national plans to further scale up climate finance after 2012 through submission by the nineteenth session of the Conference of the Parties, to ensure the predictability and sustainability of financial flow to address the needs of developing countries. Furthermore, there is a need to improve the measurement, reporting and verification procedures. Annual report on the fulfillment of commitments by developed country Parties is also requested.

6. To fulfill the urgent and immediate needs of developing countries on combating climate change, more efforts to assess and review the needs of developing country Parties for financial resources is required in meeting ever increasing costs of climate change in particular in relation to adaptation, ensuring country ownership and country-driven national development priorities.

7. As an operating entity of the financial mechanism of the Convention, the resource mobilization of Green Climate Fund should be initiated no later than 2014 and a subsequent periodic replenishment process based on burden sharing by developed country Parties also shall be put in place as soon as possible.