

## **SUBMISSION OF INDIA ON LONG TERM FINANCE**

The Government of India welcomes the opportunity to provide its views on Long Term Finance.

Recalling Articles 4 and 11 of the Convention and expressing grave concern over the increasing incidence of extreme weather and slow onset events, their intensity and unpredictability, causing serious damage in particular to developing countries, and underlining the need for urgency in the implementation of commitments under the Convention related to financing, including for the transfer of technology, and in particular in meeting the costs of adaptation, India is of the view that Long Term Finance (LTF) should have the following elements and line of points:

- (i) The consideration of the LTF under the Convention should be in accordance with the principles and provisions of the Convention,
- (ii) In accordance with the relevant provisions of the Convention, scaled up, new and additional, predictable and adequate funding should be provided to developing country Parties, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change,
- (iii) Long-term financing, including for the transfer of technology, shall be new and additional, and adequate and predictable. The major source of new and additional resources shall be public finance, which shall comprise primarily the assessed budget contributions of developed countries and may also comprise supplementary alternative sources in developed countries of public finance consistent with the principles of the Convention,
- (iv) A balanced allocation between mitigation and adaptation should be ensured and all adaptation finance shall be provided in the form of grants and wherever possible through direct access,
- (v) The provision of financial resources should be on a grant or concessional basis, including the transfer of technology, in particular for adaptation and that loan shall not be used as a condition to access grant funding through operating entities of the financial mechanism of the Convention,

- (vi) It is necessary to ensure predictability and sustainability of financing to ensure that the developing country Parties shall have equal access to financing through operating entities of the financial mechanism, and to invite other voluntary sources to provide information on ensuring equal access to resource flow,
- (vii) The provision of resources should be the responsibility of the developed country Parties, even though the resources may be generated by these Parties from a wide variety of sources, public and private, bilateral and multilateral,
- (viii) Financial instruments or economic and environmental measures to be employed by developed country parties, if any, for raising new and additional resources should have no incidence on any developing countries or its entities, and the fiscal or economic effects of such instruments or measures must be contained within national boundaries of the respective countries while fully respecting the sovereignty of nations,
- (ix) A clear pathway and trajectory with milestones for mobilizing the scaling up of climate finance need to be identified,
- (x) The needs of Long Term Finance should be country determined, based on the needs and priorities of developing country Parties for adaptation and mitigation. In view of the large requirements already known, a process should be launched that includes the identification of options for the mobilization of resources and their adequacy, predictability, sustainability and accessibility of these resources from the Developed countries,
- (xi) In the light of the work in relation to the *ad hoc* Working Group on the Durban Platform for Enhanced Action, and that enhanced action will only be possible if there is agreement on scaling- up financing and also identifying options for scaling-up financing,
- (xii) Ensure that new multilateral funding for adaptation shall flow through the Green Climate Fund, with clear reporting obligations for the amount of financing for adaptation channeled through this Fund, recalling decision 1/CP.16 (para 100). Further, developed country Parties should provide for the immediate and urgent capitalization of the Green Climate Fund,

- (xiii) In order to ensure predictability and sustainability of financing, the contribution to the Green Climate Fund shall be on the basis of assessed contributions from developed country Parties and other developed Parties included in Annex II of the Convention, and a replenishment process should be on the basis of these assessed contributions,
- (xiv) Ensure coherence of climate change financing, including through the assessment of projects and programmes financed through existing channels to determine whether these are coherent with the guidance provided by the Convention and show how these will contribute to the achievement of the objective of the Convention,
- (xv) Reiterating the importance of measurement, reporting and verification (MRV) of climate change finance provided by developed country Parties and calling for a process on a robust MRV system to be developed urgently.

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