

## **Submission by Government of India on Enhanced action for provision of financial resources under the Convention**

*The Conference of the Parties,*

*Recalling* the relevant provisions of the Convention, in particular Articles 4.3, 4.4, 4.5, 4.8 and 4.9 of the Convention,

*Recalling further* the resolve of the Parties, as expressed in para 1(b)(ii),1(c) and 1(e) of Decision 1/CP 13, to enhance action on the provision of financial resources and investment to support action, inter alia, on mitigation and adaptation and technology cooperation,

*Affirming* that the developed countries are committed to provide agreed full additional costs of mitigation and adaptation, including costs of technology transfer, incurred by developing countries as laid out in 4.3, 4.4 and 4.5 of the Convention;

*Recognising* that the agreed incremental costs must include the upfront incremental costs of investment and technology transfer and the lifetime incremental economic costs incurred by the developing countries.

*Agreeing* that the agreed full incremental costs of mitigation and adaptation, including costs of technology transfer in Non-Annex I Parties will be recompensed in full by the Annex I Parties through resource transfers, grants or grant equivalent of soft loans,

*Conscious of the fact* that the funding for addressing climate change needs to be adequate and predictable as required under Art 4.3 of the Convention, and hence cannot be voluntary,

*Acknowledging* that the implementation of commitments under Article 4.3 will provide the main source of funding, and that such

funding will be “new and additional”, over and above all existing and likely flows from both domestic and foreign official and private sources currently financing development;

*Recalling* Art. 11 of the Convention defining a financial mechanism of the Convention that will function under the guidance of and be accountable to the Conference of the Parties,

***[Decides that]***

the assessed contributions equal to at least 0.5% of the Gross Domestic Product of the Annex I Parties will be contributed by the Annex I Parties to provide for financial resources and investment to support action, inter alia, on mitigation and adaptation and technology cooperation as envisaged in para 1(e), 1(b) (ii) and 1(c) of Decision 1/CP.3,

the determination of individual Annex-1 obligations shall be based on responsibility and respective capability,

the Annex I Parties will be free to meet their respective assessed contributions either by earmarking domestic public funds from respective budgets or by raising the funds from country-specific or region-specific auctioning of emission allowances, or any other means considered feasible within respective developed country borders as consistent with the principles and the provisions of the Convention,

[the resources shall be grant-based, particularly for adaptation, without prejudice to certain concessional loan arrangements in appropriate form, to meet the needs of a specific programme],

the contributions of the Parties shall be made to a Fund that will be managed and operated by an entity subject to the direct supervision and authority of an Executive Board, constituted and appointed by the CoP,

the Executive Board of the Fund shall have an equitable and balanced representation of all Parties within a transparent system of governance and shall function under the supervision and the authority of the COP,

the Executive Board shall ensure that all Parties have direct access to the Fund in accordance with guidelines as laid down by the CoP which shall decide on the policies, programme priorities and eligibility criteria for accessing the funds,

any funds pledged to an entity or Fund not managed and operated by the Financial Mechanism shall not be regarded as the fulfilment of commitments by developed countries under Art. 4.3 of the Convention,

the Executive Board, with approval of the CoP, may authorize the national entities of developing country Parties as designated by such Parties to approve activities, projects, programmes for funding, subject to the guidelines and procedures approved by the CoP,

the financial mechanism shall have separate windows for funding projects, programmes and activities aimed at mitigation and adaptation and technology cooperation and each of the funding windows shall be assisted by a dedicated team of experts (thematic assessment unit) to carry out the relevant assessments for disbursement to the designated national funding entities of the developing country Parties

the thematic assessment units shall be a part of the Financial Mechanism and shall function under the authority of the Executive Board,

the Executive Board shall manage a certification and registry system for receiving financial resources in compliance of the financial

commitments of developed country Parties under Art 4.3 of the Convention,

the Executive Board, with approval of the CoP will institute suitable external independent oversight as well as internal monitoring and evaluation into the management and operation of Fund