

## **Long-term finance (COP)**

### **Submission by the Republic of Nauru on behalf of the Alliance of Small Island States (AOSIS)**

#### **Views from Parties on long-term finance.**

In response to the invitation to Parties to submit their views to the Secretariat, the Republic of Nauru, on behalf of the 44 member States of the Alliance of Small Island States (AOSIS), welcomes the opportunity to provide inputs on long-term finance, "taking into account the report on the workshops of the work programme on long-term finance, with a view to the secretariat preparing an information document for consideration by the co-chairs of the work programme".

AOSIS reiterates its serious concern with the uncertainty associated with the end of the Fast-Start Finance period. The Doha decisions on finance do not address the period between the end of the Fast-Start Finance and 2020 to ensure that there will not be a reduction in the provision of climate finance from 2012. The provision of scaled-up, adequate, and predictable funding sufficient to meet current and future needs is of the highest priority for our group.

AOSIS is of the view that an intermediate finance target for 2013-2015 represents would have been the most efficient way to provide certainty and visibility to developing country Parties. Given that no agreement on such a target was achieved at COP 18, the analytical and technical work to be undertaken under the extended Work Programme on credible pathways towards the USD 100bn goal is therefore of critical significance.

AOSIS supported the extension and review of the focus of the Work Programme on Long Term Finance as an important element of the Doha Climate Gateway and is fully committed to actively engage and contribute to focused discussions and technical work over 2013.

We are gravely concerned that much of the focus on long-term finance relates to mitigation issues, with a limited interpretation of this term. We acknowledge that Decision 4/CP.18 makes reference to "climate finance to USD 100 billion per year by 2020 from public, private and alternative source in the context of meaningful mitigation actions and transparency on implementation..." While we acknowledge that the term "mitigation" has generally referred to actions to reduce emissions of greenhouse gases, we also believe that it can be used to refer to mitigating the impacts of climate change. This latter interpretation of the term "mitigation" needs to be clearly acknowledged and stated in any future decision of the COP on this agenda item.

As the most vulnerable group of countries to the impacts of climate change, we need an assurance that a significant proportion of long-term finance will be allocated for work to mitigate the impacts of climate change (or building climate resilience as it is more generally referred to). Despite promises for adaptation funding under the Fast Start Finance, only a few countries made an effort to provide specific, new finance for adaptation. We acknowledge and welcome the contribution by the Spanish Government to the Adaptation Fund in this respect. Unfortunately many other governments renamed existing funding programmes as Fast-Start Finance. Overall, ongoing finance for adaptation has been piecemeal and certainly does not match the needs of the most vulnerable countries.

To ensure that long-term finance is directed towards work on adaptation, the work programme on long-term finance must set aside work for this focus. At the second workshop on long-term finance a number of speakers did make reference to adaptation-like funding. Mattia Romani (LSE) referred to the Climate Resilient Green Economy facility in Ethiopia. Nick Robins of HSBC and Amal-Lee Amin (E3G) also referred to private finance for climate resilient infrastructure and projects. Despite these references most of the discussion related to low carbon finance.

AOSIS acknowledges the importance of the work on low carbon finance. We, as small emitters of greenhouse gases, have already committed to a renewable energy and energy efficient future. Many AOSIS countries already have created an enabling environment with the development of various national strategies for a low carbon future. Many of our countries are making considerable efforts in promoting renewable energy and energy efficiency. These objectives are being guided by national plans.

AOSIS believes that at least two (2) technical workshops would be necessary to comprehensively fulfill the mandate given by COP18. AOSIS supports efforts by the Co-Chairs to have the discussions at the workshops organized in smaller, more efficient settings.

These workshops should focus on analyzing information provided by developed country Parties on how they intend to scale up long term finance. They should be encouraged to submit this information as soon as possible, as well as the latest expert work on sources, possible pathways, strategies and approaches in an effort to clarify various options for reaching the USD100bn, and a means of assessing and tracking progress towards this objective. This stream of work should provide clear options and recommendations for policy-makers to consider.

Within the analytical work on scaling up long-term finance it is important that we receive that assurance that a significant proportion of this finance is given to building climate resilience. To help facilitate a focused discussion on long-term finance for climate resilience, we believe that the Adaptation Committee, the Standing Committee on Finance, the Green Climate Fund Board and the Adaptation Fund Board should be tasked by the Conference of Parties (and the CMP, where appropriate) to create a Joint Task Group on Long-term Finance for Climate Resilience to explore options for dramatically scaling-up long-term finance for climate resilience, particularly for Least Developed Countries, Small Island Developing States and other countries highly vulnerable to the impacts of climate change. The recommendation to establish such a JTG on Long-term Finance for Climate Resilience should be a key outcome of the Work Programme of Long-term Finance. The Work Programme on Long-term Finance should also develop a draft work programme on Long-term Finance for Climate Resilience, with a particularly focus on finding means to scale-up funding. Furthermore, the Work Programme on Long-term Finance should be informed by ongoing work under the SBI on the issue of Loss and Damage. We believe there are strong synergies between these programmes.

We believe that collaborative work between the various boards and committees need not be unwieldy and duplicative of the work already being undertaken individually by these institutions. A Joint Task Group on Long-term Finance for Climate Resilience could be constituted by a limited number of representatives from each of the groups. Coherence and collaboration between the various financial groups would help serve to create a focussed programme on scaling up finance for climate resilience. This work is urgently needed.

AOSIS calls for a meaningful decision on long-term finance be adopted at COP19, which would send a strong signal and address the concerns of developing countries over the uncertainty on pathways towards the delivery of US100bn per year by 2020 and the early and adequate replenishment of the Green Climate Fund allowing for its full and effective operationalization to

achieve both a low carbon and a climate resilient future.