

Co-chairs,

I have the honour to speak on behalf of the Alliance of Small Island States. Climate finance is the lynchpin of the 2015 agreement as it will be the main enabler for its effective implementation. It is also fundamental to support a transformational shift to set the world on course to stay below 1.5 degree Celsius. It is therefore critical to consider how all the parts of the agreement will work together in a cohesive manner.

For AOSIS, this chapter must set forth concrete commitments for the State Parties in terms of scale, additionality, predictability, sustainability and transparency with due consideration of support to LDCs and SIDS. The new protocol must include a clear commitment that finance from a variety of sources continues to be scaled up post 2020 using the USD 100 billion as a floor for developed countries' contributions.

Pursuant to your invitation to identify missing elements in the chapter, I wish to highlight the following:

1. In a similar vein to the proposal introduced yesterday by Jamaica for Section C of the text, we have a concern that the long-term global temperature goal in the finance section only refers to 2 degrees Celsius. In this context we would request **inserting a reference to 1.5 degree Celsius** in all places where 2 degrees Celsius is mentioned in this section.
2. For paragraph 35 we would like to add **“delivery”** to the heading of the section. So it would read: **“The mobilization, provision and delivery of finance shall.”**
3. At 35 (a), we would like to add **“including through direct access”** in the first line after *predictable funding*.
4. In the same paragraph 35 we would like two new items as follows:
 - a. item i) that reads: **Take into account the urgent and immediate needs and special circumstances of LDCs and SIDS**. It is recognized that these countries are particularly vulnerable to climate change and the delivery of climate finance under the new agreement needs to remain consistent with the founding principles of the Convention, and what we have consistently translated into our COP decisions.
 - b. Item j) that reads: **“Ensure a country-driven approach in the mobilization, provision and delivery of climate finance”**
5. At paragraph 35.1, we would like to add an option **“c”** which reads **“Establish a readiness program, as an enabling activity”**. We consider that this is important to prepare countries for accessing financing in a timely manner and as well to assist COP and the SCF to MRV Finance.
6. Similarly, in paragraph 35.2 we would like to add at the end of each of the options **“taking into account the urgent and immediate needs and special circumstances of LDCs and SIDS”**.

7. In chapeau of paragraph 38, we would like to add **“of the Convention and its Protocol”** to the heading of the paragraph which would then read: **“The Financial Mechanism of the Convention and its Protocol shall serve as the financial mechanism of the 2015 agreement”** We are convinced that the institutions established under the Kyoto Protocol should play a role under the new agreement.
8. We also would like to request the inclusion of a placeholder in paragraph 38 for financing Loss and Damage as a new paragraph 38 d)
9. In paragraph 53. Option 1 we would like to add a new item *d)* which reads: **“Developed country parties shall channel a substantial share of public climate funds to adaptation activities with prioritization for the most vulnerable developing countries, especially LDCs, and SIDS.”** It is important that the new agreement uses scarce public resources strategically and channels them to those who need it the most.
10. Finally, AOSIS is convinced that this chapter should have a subsection on MRV of climate finance that should also include a specific reference to a regular cycle of climate finance. We suggest including a placeholder at the end of the section.

Thank you.