



POLICY
BRIEFING

BONN
UNFCCC

JUNE
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WWF POLICY BRIEFING ON GENEVA TEXT

SECTION F. FINANCE

KEY POINTS TO BE CAPTURED

A streamlined version of the text must deliver clear options and signals that ex ante commitments to predictable and scaled up finance will be forthcoming in the post-2020 period. The draft text and signals emerging from Bonn must clarify options for establishing ex-ante targets and signal that some form of ex-ante targets will be adopted in the Paris agreement, and that such targets will be developed on a regular cycle, either aligned with the cycle of mitigation commitments or with quantitative commitments on a shorter cycle but with indicative commitments aligned with the mitigation and adaptation cycles. Some options include:

1. An objective for financing to be provided and/or mobilized by 2025 and 2030, comparable to the \$100b commitment. Some options are as follows, and (d) is the preferred option:
 - a. Single absolute value for all sources and ends, similar to the \$100b commitment;
 - b. Separate amounts for adaptation and mitigation;
 - c. Specific levels of public finance flows and indicative scales and policies and measures for shifting private finance;
 - d. Combination of (b) and (c) that links levels of public and private flows to adaptation and mitigation actions.
2. Alternative and complementary approaches exist to commitments in absolute values, but provide less certainty and thus are unlikely to contribute as effectively to scaled up global action. These include the following:
 - a. Scaling up from a floor of existing or future levels of financing on a percentage basis or in some proportion to demonstrated needs of developing countries;
 - b. Commitment to provide support sufficient to achieve given mitigation and/or adaptation outcomes – e.g., a country could commit to supporting emissions reductions outside its boundaries, in addition to reduction of its own commitments. This support could be through the NAMA registry, or to achieve developing countries' targets that are conditional on international support.
 - c. Commitments to support new mechanisms to generate financing, including public financing for international purposes through carbon pricing, levies or financial transaction taxes, for example.

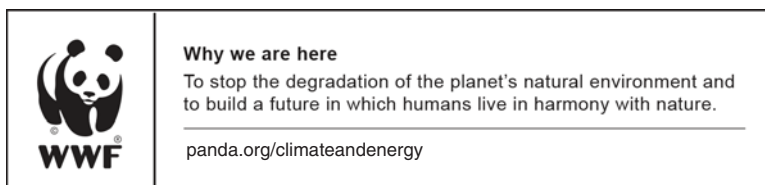
In Bonn parties should also clarify the options for advancing the discussion of differentiation and who has an obligation to provide international support, to allow for progress on this difficult issue by Paris. WWF believes that the traditional group of developed countries listed

in Annex 2 should continue to have primary responsibility for provision and mobilization of international support, while the time has come to also consider contributions from countries beyond Annex 2, in accordance with the principles of the UNFCCC, including responsibility, capability and development conditions of the respective countries.

Different options exist in the text, although in a rather haphazard manner. These options should be clarified and become the basis for focused negotiations, and be clearly related to approaches to equity where those countries with the greatest capabilities and responsibility (including per capita) have the greatest obligation to provide financing and other support. The current options being put forward are:

- a. “Those in a position to do so” (Potodoso): signals a voluntary and self-selecting approach that goes beyond Annex II, but doesn’t exclude future efforts to establish criteria to define what countries are indeed in such a position.
- b. “developed countries” suggests that Annex 2 doesn’t define the list of developed countries, and that other countries can be considered developed if they meet certain conditions (while current and future GDP per capita will be an important criteria, it may not be the only one, and metrics could be developed that take into account national human and physical capital, based on education and health, value of infrastructure and built environment, etc.).
- c. Countries included in Annex x – suggesting the possibility of negotiating new annexes to the Agreement assigning specific responsibilities to countries.
- d. Future work by the governing body to create objective criteria for deciding which countries are in a position to provide support: could be promising if there is a time-bound process with clear guidance on the criteria to be used and nature of expected outcome.

For WWF, it is clear that the countries in Annex 2 of the UNFCCC will continue to have primary responsibility for providing support to developing countries in the post-2020 period, but such obligations must progressively be extended to other countries as they achieve comparable conditions with the range of countries currently considered developed. In addition, expected contributions of emerging economies and other countries with higher than average per capita GDP but which are not yet considered fully developed should also be clarified.



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