



**COUNCIL OF
THE EUROPEAN UNION**



Council Conclusions: Climate finance - follow-up to the Durban Conference

*3148th ECONOMIC and FINANCIAL AFFAIRS Council meeting
Brussels, 21 February 2012*

The Council adopted the following conclusions:

"The Council:

1. WELCOMES the appreciation by the Conference of the Parties of fast-start financing provided by developed countries and RECONFIRMS that the official report on 2011 fast start finance provided by the EU and its Member States will be submitted to the UNFCCC secretariat by May 2012;
2. WELCOMES the approval of the governing instrument for the Green Climate Fund (GCF) and the way forward outlined in the Durban Decisions with regard to the expeditious full operationalization of the GCF; REITERATES that the Fund is to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change; REITERATES FURTHER that the Fund will promote the paradigm shift towards low – emission and climate – resilient development paths by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change in developing countries particularly vulnerable to the adverse effects of Climate Change; WELCOMES that the Fund will catalyse climate finance, both public and private, and at the international and national level; ENCOURAGES the Board to develop methods to enhance complementarity between the GCF and other relevant bilateral, regional and global funding mechanisms and institutions, to better mobilize the full range of financial and technical capacities and improve the overall effectiveness of international climate finance;

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3. WELCOMES the further specification of the functions of the Standing Committee on Climate Finance in order to assist the Conference of the Parties in exercising its functions with respect to the financial mechanism of the Convention and in preparing a biennial overview of climate finance flows; INVITES the Committee to define an efficient and cost – effective work programme that avoids any overlap with other institutions;
4. REAFFIRMS the importance of continuing to provide support by developed countries beyond 2012 as set forth in the Durban decisions; WELCOMES the work programme on long-term finance to discuss under the UNFCCC the conclusions and recommendations by the UN Secretary General's High-level Advisory Group on Climate Change Financing (AGF) and by the international financial institutions in the context of the G20 in order to contribute to the on-going efforts to scale up the mobilization of climate change finance after 2012, to enable and support action on mitigation, REDD+ adaptation, technology development and transfer and capacity building; CONSIDERS that this work programme may provide useful input towards the identification of a path for scaling up climate funding from 2013 towards 2020 in the context of meaningful mitigation actions and transparency on implementation with a view to hold the increase in global average temperature below 2 °C above preindustrial levels; despite significant domestic financial challenges and fiscal constraints the EU and its Member States REITERATES the importance of the EU and its Member States delivering on the fast start commitments in 2012 according to the overall pledge of fast start financing;
5. COMMITS during 2012 to continue to work together with other countries and relevant stakeholders, on potential pathways for long term finance, including analysing the options for the mobilization of resources from a wide variety of sources, including innovative sources, that may contribute to reaching the long term committed goal of mobilizing jointly US\$100 billion per year by 2020 by developed countries in the context of meaningful mitigation actions and transparency on implementation, and the monitoring and reporting of climate financing; In this context STRESSES the need for a fair burden sharing among developed countries in the provision of public finance while taking into account the need for fiscal consolidation in Member States;
6. REITERATES that the carbon pricing of global aviation and maritime transportation would generate the necessary price signal to efficiently achieve more emission reductions from these sectors and that carbon pricing of global aviation and maritime transportation have as well the potential to generate large financial flows; INVITES the Commission to prepare a reflection paper by June on carbon pricing of global aviation and maritime transportation taking into account the developments in IMO and ICAO and previous work by AGF and by the World bank and other international organizations for the G20; STRESSES the need of taking into account national budgetary rules and the principles and provisions of the UNFCCC in the use of potential revenue; URGES Parties to IMO and ICAO to further increase their efforts to make progress on market based mechanisms to address emissions from global aviation and maritime transportation;
7. WELCOMES the Durban decision on REDD+ financing, and INVITES the Commission to explore how to scale up results based financing for REDD+ over time including towards the committed goal of \$100 bn USD, inter alia with respect to catalysing the private sector investments in order to address the drivers of deforestation and how to further increase the effectiveness and efficiency of REDD+ financing."