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**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION**

Eighth session

Copenhagen, 7–15 December 2009

Agenda item 3 (a–e)

Enabling the full, effective and sustained implementation of the Convention through long-term cooperative action now, up to and beyond 2012, by addressing, inter alia:

A shared vision for long-term cooperative action

Enhanced national/international action on mitigation of climate change

Enhanced action on adaptation

Enhanced action on technology development and transfer to support action on mitigation and adaptation

Enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation

**Outcome of the work of the Ad Hoc Working Group on Long-term
Cooperative Action under the Convention**

Draft conclusions proposed by the Chair

Addendum

Draft decision -/CP.15

Enhanced action on the provision of financial resources and investment

[1. Parties [shall] [agree to] further operationalize the financial mechanism [of][under] the Convention with the aim of full and effective implementation [of the Convention,] [in particular commitments contained in Article 4, paragraphs 3, 4, 5, 8 and 9, in the context of its Article 4, paragraph 7;]

[Finance Board]

[2. A Finance Board of the financial mechanism shall be established under the guidance of and be accountable to the Conference of the Parties;]

[3. The Finance Board shall have an equitable and balanced representation of all Parties within a transparent system of governance in accordance with Article 11, paragraph 2, of the Convention;]

- [4. The Finance Board of the financial mechanism shall:
- (a) Provide [guidance][assistance] to, and ensure accountability to the Conference of the Parties of, all operating entities of the financial mechanism in accordance with Article 11 of the Convention;
 - (b) Assess the needs for, and sources and flows of, international finance to support activities to address climate change;
 - (c) Recommend a balanced allocation of funding across thematic areas of the operating entities of the financial mechanism based on the information provided by all operating entities;
 - (d) Recommend provisions for unifying modalities to measure, report and verify the support provided to developing country Parties for enhanced action on mitigation, and to monitor, report and review the support provided to developing country Parties for enhanced action on adaptation;
 - (e) Review modalities of operating entities in order to provide simplified, improved, effective and equitable access to financial resources in a timely manner, including direct access;
 - (f) Upon request, provide advice and information to assist developing country Parties in matching financial support for their mitigation and adaptation needs;
 - (g) Report to the Conference of the Parties on a regular basis;
 - (h) Fulfil any other functions assigned to it by the Conference of the Parties;]
- [5. The Finance Board shall be serviced by a secretariat;]
- [Fund/Operating entity]*
- [6. The Parties agree to establish a Climate [Fund][Facility];
- [7. [The Climate [Fund][Facility] shall act as an operating entity of the financial mechanism of the Convention;][The Climate [Fund][Facility] shall have an operating entity that will be appointed by the sixteenth session of the Conference of the Parties;]]
- [8. The Climate [Fund][Facility] shall be governed by a [YY] Board of [yy] members [nominated by the Conference of the Parties,] with equitable and balanced representation of developed country Parties and developing country Parties;]
- [9. The Climate [Fund][Facility] will support projects, programmes, policies and other activities related to mitigation, including REDD-plus,¹ adaptation, capacity-building and technology development and transfer. Specialized funding windows may be established by the Board of the Climate [Fund][Facility] with the approval of the Conference of the Parties;]
- [10. The Climate [Fund][Facility] shall be serviced by a trustee and a secretariat; the procedures for selecting the trustee and the secretariat shall be finalized by the sixteenth session of the Conference of the Parties;]
- [11. The Climate [Fund][Facility] shall provide simplified, improved and effective access to financial resources in a timely manner, including direct access;]

¹ Reducing emissions from deforestation and forest degradation in developing countries, and the role of conservation; sustainable management of forests and enhancement of forest carbon stocks in developing countries.

[Existing funds/entities]

[12. The Parties agree to [reform][review] the institutional arrangement of the financial mechanism of the Convention with the Global Environment Facility to respond more effectively to needs of developing country Parties;]

[Provision of financial resources]

[The Parties agree that]

[13. Scaled up, predictable, new and additional, and adequate funding shall be provided to developing country Parties, in accordance with Article 4, paragraphs 3, 4, 5, 8 and 9, of the Convention, to enable and support enhanced action on mitigation, including REDD-plus, adaptation, capacity-building and technology development and transfer, for enhanced implementation of the Convention after 2012;]

[14. The main source of funding through the financial mechanism shall be new and additional financial resources provided by developed country Parties;]

[15. Private-sector financing and other innovative sources of funding shall supplement the provision of public financial resources.]
