



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

From: Council Secretariat
To: Coreper / Council
Subject: Draft Council Conclusions: climate finance follow up to the Cancún Conference

Delegations will find attached draft Council Conclusions on the climate finance follow up to Cancún as prepared by the Economic Policy Committee and agreed by the Economic and Financial Committee.

Draft Ecofin Council Conclusions. Climate finance follow up to the Cancún Conference

The Council of the European Union

WELCOMES the positive and forward-looking outcomes of the Cancún Climate Conference ("Cancún Agreements"), which pave the way for immediate and concrete actions on the ground, provide a solid basis for further development and implementation of the agreed institutional architecture in the course of 2011 and lay the foundation for a global, comprehensive and legally binding post-2012 framework.

REAFFIRMS the EU and its Member States' commitment to provide EUR 7.2 billion cumulatively over the period 2010 – 2012 to fast start finance; UNDERLINES that despite the difficult economic situation and tight budgetary constraints, the EU and all 27 Member States are contributing to this funding and have advanced notably in the implementation of this commitment; REITERATES that the EU and its Member States have already reported and will submit further comprehensive and transparent reports on the implementation of this commitment to the UNFCCC Secretariat by May 2011, 2012 and 2013 in line with the Cancún Agreements, and will provide an additional update on progress with implementation in 2011 at the COP-17 in Durban.

RECALLS that the developed countries have committed, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries; NOTES that funds provided to developing countries may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources.

REITERATES the importance of further studying the contribution and economic implications of all potential sources of revenue to address the need for international finance to support climate change actions in developing countries; LOOKS FORWARD to discussions on climate finance in the context of the UNFCCC and in other international fora; RECALLS that the Commission and the EFC/ EPC have been invited to prepare a detailed analysis based on the AGF report setting out the key elements of the mix of international and national, public and private finance instruments needed to deliver scaled-up financial flows after 2012 in the context of a binding and comprehensive global agreement.

WELCOMES the decision to establish the Green Climate Fund and the setting up of the Transitional Committee to design it; UNDERLINES the need for the Transitional Committee to work in an open and transparent manner; and CONFIRMS that the EU will engage actively, in a coordinated manner, in the process of designing the Green Climate Fund; EMPHASISES that experts with technical financial and climate experience, e.g. from financial institutions including finance ministries, IFIs and MDBs, should play a key role in the work of establishing the fund; WELCOMES the initiative of the EIB together with European financial institutions to support jointly the work of the Transitional Committee; and LOOKS FORWARD to the establishment of an effective and efficient fund which could manage large scale financial resources from a number of sources and is equipped with the financial instruments needed to achieve its priorities.

Also UNDERLINES the need to further define the roles and functions of the Standing Committee established by the Cancún Agreements; and STRESSES the need to explore financing options for the implementation of the results-based actions under REDD+, with a view to preserving environmental and market integrity.
