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To:	Delegations
Subject:	ECOFIN Council Conclusions on Climate Finance - Council Conclusions (10 October 2017)

Delegations will find in the annex the Council conclusions on Climate Finance, adopted by the Council (ECOFIN) at its 3563rd meeting held on 10 October 2017 in Luxembourg.

ANNEX

ECOFIN Council Conclusions on Climate Finance

10 October 2017

1. REAFFIRMS the strong support of the EU and its Member States for the timely implementation of the Paris Agreement along with the 2030 Agenda for Sustainable Development. REITERATES the importance of making swift and ambitious progress on the Paris Agreement's transformational objective to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development and the importance of taking action, both individually and collectively, to fulfil this global response to the threat of climate change. STRESSES the importance of this objective being reflected in the evaluation of progress towards the Paris Agreement's long-term goals, including through the global stocktake, and EXPRESSES the need to develop methods and modalities to further quantify collective progress towards the achievement of Article 2.1c of the Paris Agreement.

2. HIGHLIGHTS the importance of scaling up the availability of capital for green and sustainable investment and, in this context, WELCOMES the recent developments at an international, regional and national level to enhance the ability of the financial system to mobilise finance for low-emission and climate-resilient development and adequately manage respective financial risks, including the work of the G20 Green Finance Study Group, the FSB Task Force on Climate-related Financial Disclosures, the High Level Expert Group on Sustainable Finance, and the Organisation for Economic Co-operation and Development. UNDERLINES that carbon pricing is a key component of an enabling environment for shifting investments towards green and sustainable production technologies, and for promoting innovative solutions. In this context, SUPPORTS carbon pricing initiatives as well as initiatives promoting the phasing out of environmentally and economically harmful subsidies and inter alia the continued phasing down of financing for emission intensive projects.

3. RECOGNISES that the collective mobilisation goal of USD 100 billion per year by 2020 remains an important contribution to drive the transformational change envisaged by the Paris Agreement. REAFFIRMS that the EU and its Member States are committed to continuing to scale up the mobilisation of international climate finance, as part of the collective developed countries' goal to jointly mobilise USD 100 billion per year by 2020 through to 2025 for mitigation and adaptation purposes, from a wide variety of sources, instruments and channels. REITERATES that public climate finance will continue to play a significant role. HIGHLIGHTS that the EU and its Member States are the largest provider of public climate finance and stresses the need for future participation of a broader range of contributors. URGES other developed country Parties to meet their commitments and mobilise private finance towards this collective goal. EMPHASISES the importance of an outcome-oriented perspective on climate finance, ensuring the greatest possible impact of funds provided and mobilised.

4. HIGHLIGHTS the important role of the private sector as a key source of climate finance and the need to mobilise better its potential to finance mitigation and adaptation action, and NOTES the central and necessary role of a robust enabling policy environment for the mobilisation of private sector finance. NOTES that the EU has in place, and will continue to develop and improve, a broad set of instruments to mobilise private sector finance for international climate action.

5. STRESSES the importance of multilateral development banks in catalysing the transformational change envisaged by the Paris Agreement, including through meeting their 2020 climate finance pledges. URGES these banks, including those recently founded, to continue to scale up climate-related investments whilst using their resources more innovatively and effectively to mobilise private capital, and to further align their activities with the Paris Agreement and related Sustainable Development Goals, including helping to build in-country capacity for project design and implementation.

Also WELCOMES the efforts of multilateral development banks to mainstream climate considerations across their portfolios, working from their own core strengths and mandates. Thus ENCOURAGES MDBs to further reduce the financing of coal power plants, taking into account the current development and energy needs of our partner countries. ENCOURAGES international and regional financial institutions and UN agencies to provide information to Parties through the UNFCCC secretariat on how they mainstream climate objectives and incorporate climate resilience measures into their development assistance and climate finance programmes.

6. HIGHLIGHTS that the transparency framework will be a key factor for the successful implementation of the Paris Agreement by improving the tracking of: (i) climate finance; and (ii) progress made in implementing actions planned in the nationally determined contributions. STRESSES the need to ensure balanced progress across all aspects of the transparency framework. STRESSES the importance of a timely and effective implementation of the Capacity-building Initiative for Transparency and other initiatives to strengthen transparency. WELCOMES the substantive progress made in the UNFCCC negotiations on the modalities of accounting for financial resources provided and mobilised and SUPPORTS the need to further develop methodologies for tracking, in a credible manner, private finance mobilised through public interventions, which enables aggregation while avoiding double counting. In this regard, ENCOURAGES the application of the principles for accounting for mobilised private finance being developed by the OECD Research Collaborative and the Development Assistance Committee.

7. EMPHASISES the importance of an efficient global climate finance architecture. RECOGNISES the important contribution of international financial institutions and mechanisms to climate finance and REITERATES its willingness to continue to support such institutions and mechanisms, including the Green Climate Fund. STRESSES the need to improve the efficiency and effectiveness, as well as the coherence and complementarity of the current institutional architecture for climate finance under the UNFCCC. UNDERLINES that these improvements would allow efficient access to climate finance by developing countries to support country-driven strategies towards low greenhouse gas emissions and climate-resilient development.

8. STRESSES the importance of scaling up resources to address the needs and support of the poorest and particularly vulnerable developing countries such as Least Developed Countries and Small Island Developing States. RECOGNISES in this regard at the 10th anniversary of its launch, the important contributions of the Adaptation Fund, as one piece of the broader adaptation finance landscape. HIGHLIGHTS that the EU and its Member States collectively are making, and will continue to make efforts to channel a substantial share of public climate finance towards adaptation finance and that the EU already supports adaptation through several technical and financial instruments. EMPHASISES the need to support developing countries mainstream climate objectives into development strategies, and in particular for adaptation considerations to be integrated at all levels of development plans.

9. REQUESTS the European Commission to provide an overview of international climate finance from the EU, including from the European Investment Bank, and its Member States for 2016 and for the Council to endorse this contribution prior to the UNFCCC COP23.