



Government of the Republic of Vanuatu

Submission to the new collective goal on Climate Finance

Issue: New Collective Quantified Goal on Climate Finance

Mandate: FCCC/PA/CMA/ 2021/L.17, Para. 17

Call: Parties, constituted bodies under the Convention and the Paris Agreement, the operating entities of the Financial Mechanism, climate finance institutions, observers and observer organizations, and other stakeholders, particularly from the private sector, to submit their views on the objective in line with paragraph 15

Body/Session for Consideration: CMA

Para 15

Decides that the new collective quantified goal aims at contributing to accelerating the achievement of Article 2 of the Paris Agreement of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change; increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

Climate Finance is one of the most contested issues at the UNFCCC and has been a subject of debate for many years. As part of the 2015 Paris Agreement, developed countries reaffirmed their commitment to support developing countries, including to continue “their existing collective mobilization goal (\$100 billion per year) through 2025 in the context of meaningful mitigation actions and transparency on implementation” (decision 1/CP.21, paragraph 53).

Taking the \$100 billion as a floor, countries also decided (decision 1/CP.21, paragraph 53) to set a new collective quantified goal to succeed the existing target, considering the needs and priorities of developing countries.

As an outcome of the COP26 in Glasgow, and under the CMA, a process towards a New and Collective Quantified Goal on Climate Finance was proposed.

Views on the objective in line with Para 15:

- This will significantly reduce the likelihood of impacts associated with increased and continued warming under BAU emission scenarios outlined in the IPCC AR6 WG1.
- Annual emissions for Vanuatu are currently almost negligible, nonetheless, efforts to reduce emissions at the national level have been accelerated over the years through the development and implementation of national policy documents to increase resilience and adaptive capacity.
- Accelerating the achievement of Article 2 of the PA will require a significant paradigm shift from the current state of play for countries like Vanuatu, where the capacity to access climate funds is limited, to an environment where there is continuous and increasing access to climate finance.
- Appropriate and sufficient support for countries like Vanuatu in this regard needs to be seriously considered and included in the design of the climate finance scenario post 2025.

- The type of 'contribution' to the achievement of Article 2 of the PA needs to be reflected in the form of ample progress towards access to climate finance to achieve the temperature goal in a timely manner [consistent with the findings of the IPCC Special Report on 1.5 °C and the IPCC AR6 WG1].
- Food security is of the utmost importance in Vanuatu and over 80% of the population are subsistence farmers. Low emission development options must not threaten food security for the most vulnerable in any way, but must contribute to increasing and sustaining food security at the domestic level. This will contribute to increasing adaptive capacity at the local level.
- Climate finance must be focused on low greenhouse gas emissions development that does not threaten food and water security for vulnerable communities.
- It is of the utmost importance that finance flows are consistent with pathways towards low greenhouse gas emissions and climate-resilient development.
- In efforts to ensure finance flows are consistent with low emission pathways, national capacities to access climate finance, fully utilize and report on climate finance need to be significantly increased for SIDS like Vanuatu. Domestic efforts have significantly progressed over the years to ensure that low emission options are promoted and utilized through stronger collaboration and synergies with efforts by the private sector. National policy documents pertaining to improved energy efficiency and renewable energy options, increasing resilience and adaptive capacity and promoting climate sensitive resilient development has also created a momentum to match those at the regional and international level. Vanuatu is confident that these domestic efforts are positive steps forward to create an enabling environment for finance flows that are consistent with low emission pathways.

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