

Mexico's Proposal of a World Climate Change Fund (The Green Fund)



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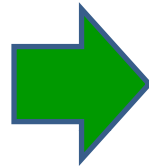
FINANCING CLIMATE CHANGE: GREEN FUND

CURRENT SITUATION

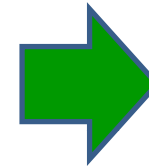
- ➔ Proliferation of small scale funds
 - 18 funds operational in 2008 with limited time horizon
- ➔ Growing gap between what is needed and what is available
 - Required annual abatement + adaptation costs in 2020:
Estimates range 100 – 200 billion USD: **one order of magnitude bigger than current situation**
- ➔ Donor -recipient model
 - Lack of collective ownership
 - Difficult to scale up
- ➔ Inadequate governance schemes
 - Little participation of developing countries
- ➔ Reduced scope of supported activities
 - Isolated projects in developing countries vs programs/**sectors**

A proposal: World Climate Change Fund (Green Fund)

FUND RAISING



ADMINISTRATION



RESOURCE ALLOCATION



- To **scale up**, not only reallocate financing.
- **Based on equity principles:** (common but differentiated responsibilities)
- Contributions as a factor of: **emissions, population and GDP**
- Initially 10 billion USD at least

- A Fund within the UNFCCC.
- **Governance** structure under **parity** criteria between Annex and non-Annex I countries.
- Reduced bureaucracies and **speedy project assessment**
- Robust mechanisms for **measurement, reporting and verification**.

- **Developing countries** would have access to **amounts larger** than their own contributions.
- Projects from a "**Green Agenda**" and **expanded scale of projects** from the "**Grey Agenda**", including sectoral, subnational and national programmes.

GREEN FUND'S OBJECTIVES

THE GF WILL ACHIEVE:

- ➡ Collective ownership
 - Transcending donor-recipient model
- ➡ Real, measurable, reportable mitigation action
- ➡ Integration of:
 - Mitigation
 - Technology
 - Technology Fund
 - Adaptation
 - Adaptation Fund
- ➡ Predictability
- ➡ Scalability
- ➡ Full consistency with the principle of common but differentiated responsibilities
- ➡ Equitable multilateral governance
 - COP oversight

The GF will complement (not replace) carbon markets

The GF will mobilize financial resources to significantly enhance the mitigation potential of developing countries