

Dear Minister,

Ahead of Economic and Financial Affairs Council on 8 November, Climate Action Network (CAN) Europe calls on you to adopt an ambitious and forward-thinking position on climate finance for the UNFCCC COP25. The EU can play a crucial role in advancing climate finance issues, to build trust between countries, and to support governments to implement ambitious nationally determined contributions. To this end, we highlight three key issues to ensure a successful outcome of the COP25 negotiations:

#### The \$100 billion goal and the Green Climate Fund Replenishment

After a year of record-breaking extreme weather events in developing countries, we call upon the EU and its Member States to continue to scale up new and additional international climate finance as part of the collective goal to mobilise USD 100 billion annually from 2020. Ministers should specifically commit the allocation of 50% of climate finance to adaptation as part of global efforts to close the adaptation finance gap. In this context and considering the ambitions of developing countries to revise their nationally determined contributions in 2020, we call upon you to top-up your contribution to the Green Climate Fund replenishment, to at least double the value in US Dollars of your previous contribution and in line with your fair-share. Countries can continue to top-up their contributions in the fund's replenishment period to December 2023.

#### Loss and damage finance

We call on Ministers to fully operationalize the Warsaw International Mechanism (WIM) to retrieve, receive and allocate new and additional financing to address loss and damage. The EU should support and promote setting up a finance facility under the WIM to deliver an enhanced loss and damage support architecture. Regarding sources of finance, 50% of revenues from any future EU climate taxes, the Financial Transaction Tax (FTT), as well as other innovative financing instruments such as taxes on international air travel, must be dedicated to international climate and loss and damage finance.

#### Aligning public finance with the Paris Agreement

We call on Ministers to push for swift progress ahead of COP25 on Paris-Alignment of multilateral development banks, national and regional banks, and all public finance flows, including export credits. The crucial first step is the urgent phasing out of finance for fossil fuels, which must be coupled with alignment to mitigation pathways based on a 100% renewables energy system and nature based solutions.

Yours sincerely,



Wendel Trio, Director, Climate Action Network Europe