To: EU Finance Ministers

CC: EU Environment Ministers &

European Commissioner for Climate Action and Energy

Dear Minister,

Ahead of the upcoming ECOFIN Council on November 6th, **insert organisation]** calls on you to adopt an ambitious and forward-thinking position on climate finance in advance of the UNFCCC COP24 in Poland. This conference will be decisive for the realisation of the Paris Agreement in which climate finance plays an essential role. To this end, we identify a number of key factors to ensure a successful outcome of the COP 24 negotiations:

**Clearer information and predictability of climate finance:**

Many of the world’s poorest countries depend on multiannual and targeted funding that supports their efforts to combat the impacts of climate change and continue to pursue sustainable development. It is therefore necessary for the ECOFIN to indicate the **EU commitment to regularly and promptly share information about future levels of climate finance that will be provided.**

**Accounting climate finance:**

Climate finance flows must be transparent in order to better assess progress towards meeting the Paris Agreement and other commitments and to ensure the efficient and effective use of financing. As the world’s largest international donor, the EU should lead the way in guaranteeing clear, transparent and coherent accountability standards and reporting requirements for climate finance. The upcoming **ECOFIN should explicitly call for and actively contribute to the successful completion of the COP24 discussions resulting in robust accountability and transparency of climate finance**.

**Provision of public finance for adaptation:**

After a year of devastating weather events, the impacts of climate change are more evident than ever, particularly in vulnerable developing countries. In view of growing and worsening impacts, the upcoming ECOFIN position should specifically commit to increasing adaptation finance by setting a quantitative target – **the allocation of at least 50% of climate finance to adaptation** as part of global efforts to close the adaptation finance gap.

**Shifting investment patterns and flows:**

The ECOFIN can provide a clear signal that all future financing of the EU will be completely compatible with the Paris Agreement. In particular, the ECOFIN should call on the EU to agree on a **post-2020 Multiannual Financial Framework that does not fund any fossil fuel infrastructure**, research or exploration and which enhances EU and international climate ambition. The ECOFIN must also reiterate the EU commitment **to phase out domestic fossil fuel subsidies** no later than 2020. EU Member States committed to begin developing plans for phasing out fossil fuel subsidies by 2020 back in 2010 (under the Europe 2020 Strategy), and the EU has reiterated its commitment to phase out inefficient fossil fuel subsidies every year since 2009, as part of the G20.

**Private sector finance:**

It is understood that the ECOFIN acknowledges that private sector finance is complementary to, but not a substitute for public finance. To this end, leveraged private finance must adhere to clear and transparent criteria with high environmental and human rights standards and safeguards, accountability mechanisms and evaluation of results and directly contribute to the realisation of the Paris Agreement goals.

**Direct access to finance:**

As the EU looks to increase its budget and financing for climate action both across the EU Member States and internationally it is important that communities engaged in and contributing to climate action are given direct and local access to funds in order to enhance the impact and scalability of such initiatives.

We look forward to a constructive outcome from this year’s ECOFIN Council, particularly in light of the important negotiations at COP 24 in December. We thank you for your attention.

Yours sincerely,