



3 September 2015

Statement by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden on climate finance

COP21 is less than 100 days away, and we are entering the final stage in the tour to Paris to secure a global, fair, ambitious and legally binding agreement. Countries at large have announced their political commitment to agree on an ambitious climate agreement. Yet, the pace in the negotiations has been slow. Negotiators need a clear mandate and instructions to tailor pragmatic solutions and compromises. We welcome the submission of Intended Nationally Determined Contributions (INDCs) so far and encourage all countries which have not yet done so to come forward with ambitious INDCs as soon as possible. We underline that the Paris agreement should contain a long-term vision of the needed transformation towards low-emission and climate-resilient economies by setting out a long term mitigation goal in line with the below 2°C objective.

We recognize the very high importance of climate finance. However, climate finance is not a goal in itself, but a means to achieve the necessary transition to low-emission and climate resilient economies. Countries at all income levels have the opportunity to build lasting economic development and at the same time reduce the immense risk of climate change.

We are working hard to mobilize financial resources from the public and private sector targeted at sustainable climate friendly investments in developing countries. Focus should be on establishing the right framework conditions for responsible investments, reducing risks and at the same time building the knowledge and confidence of private investors. Public finance will continue to play an important role in climate finance post 2020. However, public climate finance alone will not get us on track for staying below 2°C and bring about the investments and the transformation needed.

The Nordic and Baltic States have many positive experiences with increasing private investments, and we will further consider:

- the use of targeted public sector instruments to minimize real and perceived risks associated with low-carbon investments and thereby leverage private climate finance for developing countries. Public sector instruments can this way contribute to redirect investments flows from fossil fuels to renewables.
- support to institutional capacity building; the creation of enabling environments, and the development of bankable projects aiming at low-carbon development in order to expand the pipeline of financially viable projects for private investors.