



The Paris Replenishment Cycle

SUMMARY BRIEF*

The Proposal

To establish a “Paris Replenishment Cycle” for a joint replenishment of the funds serving the Financial Mechanism (FM) of the Paris Agreement.

The Rationale

The need for a meaningful ‘signature finance outcome’ of Paris by putting all the funds chosen to serve the FM on equal footing with respect to predictable funding.

The Process

The procedural details of the Paris Replenishments are to be established under the Paris work programme. The following rough sketch of a three-phased process to be carried out towards the end of each five-year replenishment period is based on procedures of the financial mechanism of the UNFCCC and of the GEF Trust Fund replenishments.

Stage I: Principal Reviews and Guidance

- Each of the funds serving the FM undergoes an independent performance review (akin to the [Overall Performance Studies](#) of the GEF), which is to feed into the periodic Review of the FM under the aegis of the Standing Committee on Finance (SCF)
- The outcome of this Review will be the basis for Principal Guidance to these funds for the next replenishment period, drafted by the SCF.

In keeping with its core mandate to ‘assist the COP in exercising its functions with respect to the financial mechanism ... in terms of *improving coherence and coordination in the delivery of climate change financing*, [and] *mobilization of financial resources*’ [Cancun Agreements], the SCF could also play a facilitative role in the proposed subsequent two replenishment stages.†

Stage II: Establishing the Paris Replenishment Envelopes

- The funds in question produce costed programming scenario options for the next replenishment period.
- The SCF convenes a process to consolidate these scenarios on the basis of the Principal Guidance, with a particular view to improving coherence and complementarity between them.
- The executive bodies of the funds each adopt programme of work for the next replenishment period, which jointly determine the target envelope for the replenishment.

Stage III: Pledging Rounds

- The SCF organises a series of pledging rounds with a view of soliciting pledges and ‘instruments of commitment’ sufficient to reach the target envelope established in Stage II.

Next Steps

Introduce language, preferably in the Agreement, establishing a “Paris Replenishment Cycle” as a signature finance outcome of COP 21.

Request the SCF and the executive organs of the relevant funds to elaborate the procedures for these replenishments as part of the post-Paris IPC work programme.

* For more see <http://www.eurocapacity.org/public/chronicle.shtml>

† Note that the procedures proposed here are based on well-established, tried and tested procedures used in the replenishments of the GEF Trust Fund and other multilateral funds.