



Plan for Informal Intersessional Work on Climate Finance Matters from the COP 25 Presidency and the Incoming COP 26 Presidency

Purpose

1. Finance is crucial for climate action. The incoming COP 26 Presidency has identified it as one of the four core goals for COP 26. This document sets out our plan for taking forward work on mandated climate finance issues under the responsibility of the Governing Bodies. This is in addition to ongoing activities by the incoming COP 26 Presidency to promote urgent practical action and increased mobilisation of climate finance¹, including in relation to the commitment by developed countries to mobilise USD 100 billion by 2020 and through to 2025 and complementary work to accelerate progress in making finance flows consistent with low greenhouse gas emissions and climate resilient development.

Introduction

2. We have recently held a number of consultations with Parties on climate finance matters, building on valuable engagement across a range of fora since COP 25. We conducted bilateral consultations with negotiating groups from April to June 2021², which provided an opportunity to discuss how best to progress informal work on climate finance issues ahead of COP 26 so that Parties have strong foundations on which to build in Glasgow. We also held a multilateral consultation on climate finance with Group Chairs and Heads of Delegation on 24 May 2021³. Here discussion focused on what potential outcomes could look like on some of the expected key finance issues for COP 26 and on what effective informal climate finance work ahead of COP 26 may help facilitate these outcomes.
3. Across our different interactions, we also recognize the linkages seen by various Parties between climate finance and other topics, including *inter alia* issues relating to mitigation, adaptation, transparency, loss and damage, and others. We also heard from Parties the importance of ambition on matters related to climate finance, both with regard to negotiated outcomes at COP 26 and the practical mobilisation of climate finance. Many developing country Parties cited, in particular, the importance of enhanced adaptation finance. We were encouraged by the active engagement of all Parties during these consultations and would once again like to thank them for their openness and positive collaboration.
4. We continue to approach our work in an inclusive and transparent manner. At the May multilateral consultation, we committed to presenting our proposed way forward on relevant climate finance issues, based on what we have heard from Parties. Seeking to promptly continue intersessional work after the June sessional period of the 2021 Subsidiary Bodies session, we informed Parties that this would be presented ahead of the next multilateral consultation of the Heads of Delegation, scheduled for 30 June 2021⁴. As with other areas beyond finance, in developing our approach, we have also taken into account

¹<https://ukcop26.org/cop26-goals/finance/>

²<https://unfccc.int/sites/default/files/resource/2021-06-17%20Joint%20Presidencies%E2%80%99%20Reflection%20Note%20on%20their%20Bilateral%20Consultations%20on%20Finance.pdf>

³ https://unfccc.int/sites/default/files/resource/Co-Chairs%20Summary_Finance.pdf

⁴<https://unfccc.int/process-and-meetings/bodies/supreme-bodies/conference-of-the-parties-cop/presidency-consultations-and-other-presidency-meetings/informal-consultations-by-the-cop-25-presidency-and-the-cop-26-incoming-presidency#eq-20>

the importance placed by many Parties on the balanced treatment of issues, both across the UNFCCC agenda and between issues related to climate finance, noting that a significant number of finance issues fall solely under the responsibility of the Governing Bodies.

Focus of this Work Plan

5. This work plan focuses on helping Parties prepare for discussions in Glasgow on specific mandated climate finance issues under the responsibility of the Governing Bodies. As captured in our recent reflections note of our bilateral consultations⁵, there were five key takeaways from our discussions with Parties relating to the modalities for further informal work on climate finance issues:
 - i) There is a clear common desire from Parties to engage in further informal intersessional work on finance ahead of COP 26, recognising the full finance agenda we will have in Glasgow and the need to make progress ahead of time.
 - ii) Parties would like to see a clear way forward from the Presidencies on informal intersessional finance work.
 - iii) Informal intersessional work should continue to be guided by our principles of transparency and inclusivity.
 - iv) There is general consensus that progress in informal intersessional finance work should be captured in balanced and informal written outputs (with no formal status). These should be circulated well in advance of relevant subsequent discussions.
 - v) It is important to remain flexible with the modalities for informal intersessional finance work, recognising that different approaches and outputs will work best for different climate finance issues.
6. In our discussions with Parties, we also noted the importance of the work being undertaken by the Subsidiary Bodies on issues related to climate finance. With the aim of leaving no agenda item behind and ensuring that we make progress on all issues ahead of Glasgow, we confirmed to Parties that the Chairs of the Subsidiary Bodies will work with Parties to set the way forward on the issues for which the Subsidiary Body Chairs are responsible. Additionally, where finance discussions at COP 26 are reliant on outputs from the Operating Entities and/or the Standing Committee on Finance (SCF), we will not conduct parallel intersessional work so as to avoid duplication. We are encouraged by the SCF's dedication to making substantive progress on these issues in the coming months, in line with its work plan.
7. In our consultations, many Parties have recognised the importance of political will if we are to agree an ambitious and comprehensive set out of outcomes at COP 26, that leaves no issue and no Party behind. We encourage Parties to engage with this informal intersessional work in this spirit. We also encourage all Parties to reach out to each other for further exchanges on climate finance, so they can better understand each other's positions, and to work through and beyond this work plan to find common ground ahead of COP 26 - recognising the unprecedented circumstances facing all Parties. To best enable this progress and at the appropriate time, we will also consider provisionally nominating co-facilitators for these issues in advance of COP 26, who we will work closely with in informal engagements as we approach Glasgow.

Work Plan on Specific Issues Under Our Responsibility

8. Based on what we heard from negotiating groups, and taking into account the five key takeaways of our consultations outlined above, the remainder of this document sets out our non-exhaustive work plan for relevant issue-specific intersessional engagement between now and pre-COP. This approach focuses on

⁵<https://unfccc.int/sites/default/files/resource/2021-06-17%20Joint%20Presidencies%E2%80%99%20Reflection%20Note%20on%20their%20Bilateral%20Consultations%20on%20Finance.pdf>

helping Parties prepare for discussions in Glasgow on specific climate issues, including specific modalities to progress informal intersessional work on climate finance issues under our responsibility. We will continue to reflect on this approach in light of ongoing developments, including the possibility of an additional session. We will continue to consider where there is a need for further work in order to make sufficient progress, including reflecting by pre-COP on the need for any additional work between pre-COP and COP 26.

9. We will continue to take into account valid concerns about virtual work, taking steps to respond to these where possible and noting the clear will shown by Parties to make progress across the large number of finance issues on the table in Glasgow. As part of our commitment to encouraging inclusive participation, we will ensure that the informal work set out below will rotate through the time zones, so that no region disproportionately benefits or is adversely impacted. We again thank Parties for the support and trust given to us to facilitate intersessional informal work on climate finance so that we all come prepared for COP 26. We remain committed to working with Parties, the UNFCCC secretariat, the Chairs of the Subsidiary Bodies and constituted bodies, as well as observer constituencies, to make available time and space as appropriate for continuing this critical work.

New collective quantified goal

10. During our multilateral consultation with Group Chairs and Heads of Delegations on finance, we heard a wide range of detailed and constructive views from Parties on the question of what an agreed forward approach coming out of Glasgow may look like for future deliberations on the new collective quantified finance goal. Many Parties expressed clear support for discussions in Glasgow being focussed on agreeing a timeline and process for setting the goal, with some presenting initial ideas of what these elements could look like. Parties referred to technical, negotiated and political elements of the approach for setting the goal, and presented ideas on the range of topics to be discussed, with some Parties referring to open questions and others pointing out potential principles for the discussion. Some parties also noted that they had undertaken more detailed thinking to develop their views on the process for setting the goal and would welcome the opportunity to discuss these in greater depth.
11. Acknowledging that Parties are generally at the preliminary stage of their thinking and recognising the mandate to initiate deliberations formally at CMA.3, we will first undertake further technical informal bilateral consultations between the Presidencies and Parties to better understand expectations around the forward approach to be agreed in Glasgow. To this end, alongside this communication we are issuing an open call for negotiating groups and Parties to have further focused bilaterals with the Presidencies on this topic over the course of July, in order to allow Parties and negotiating groups who wish to provide more detailed representations on their expectations of the form of the discussion and the outcome in Glasgow to do so. Interested Parties or negotiating groups who would like to make such representations are asked to indicate this to the incoming COP 26 Presidency by 9 July 2021 (by e-mail to rob.moore1@cabinetoffice.gov.uk and michael.button@cabinetoffice.gov.uk). These representations will, in addition to the views expressed in previous consultations, help to inform future informal discussions. This will include those at the incoming COP 26 Presidency's July Ministerial (25-26 July 2021), where a representative group of ministers will have the opportunity to exchange further views on, amongst other important other climate finance topics, what a successful outcome in Glasgow would look like in relation to the deliberations on the new collective quantified goal. Following this, the Presidencies will summarise and reflect on what we have heard, before likely undertaking further structured bilateral engagement with Parties and negotiating groups in advance of Pre-COP (30 September – 2 October 2021).
12. In addition to this planned work facilitated by the Presidencies, direct engagement between Parties on this matter ahead of COP 26 will be particularly important. We encourage all Parties to undertake this so

that we can be best placed to achieve a positive outcome in Glasgow and stand ready to facilitate such discussions.

Long-Term Finance

13. In their engagements with the Presidencies, many Parties have expressed clearly defined views in relation to the status of the Long-Term Finance (LTF) agenda item beyond COP 26. For example, some Parties have called for the continuation of the LTF agenda item under the COP beyond COP 26, noting in particular the importance of continuing consideration by the COP of the commitment by developed countries to mobilise USD 100 billion by 2020 and through to 2025 and of having a place to discuss climate finance holistically. Others have expressed the view that many aspects currently comprising the LTF work programme will in future be discussed under the new mandated CMA agenda item relating to information provided on Article 9.5 of the Paris Agreement and consider that the LTF agenda item will end at COP 26.
14. Noting that further work is required to approach consensus, we would like to hear more on the substance of Parties' expectations concerning the COP 26 outcome on this matter and their views on future discussions on matters related to long-term finance. As such, the Presidencies will soon request Parties to provide further inputs in writing on this matter, with suggested guiding questions. We will then look to provide Parties with the opportunity to further hear from each other following their written inputs via a facilitated multilateral exchange of views.

7th Review of the Financial Mechanism

15. Noting the willingness we have heard from Parties to engage in informal work on this issue ahead of COP 26, we will facilitate an initial multilateral exchange of views between Parties on the 7th review of the Financial Mechanism in the week commencing 26 July 2021. Pending the views of Parties, we anticipate promptly following this with a request for further inputs in writing to further elaborate views on this matter, including with regard to possible terms of reference for the 7th review of the Financial Mechanism. These will be made available in order to inform further engagement between Parties.

Review of the Functions of the Standing Committee on Finance

16. Again noting the similar willingness we have heard from Parties to engage in informal work on this issue ahead of COP 26, we will facilitate an initial multilateral exchange of views between Parties on the review of the functions of the SCF in the week commencing 26 July 2021. Pending the views of Parties, we anticipate promptly following this with a request for further inputs in writing to further elaborate views on this matter, including with regards to possible terms of reference for the review of the functions of the SCF. These will be made available in order to inform for further engagements between Parties.

Timeline of planned intersessional work

Preliminary, non-exhaustive list of activities by the Presidencies on finance matters up to pre-COP. Timings are indicative and may be subject to change. Information provided will be regularly updated and notifications for each event/activity will be sent in due time.

Event/activity	Details	Indicative Timing
JULY 2021		
Parties asked to indicate to the incoming COP 26 Presidency their interest in focused bilaterals in July with the Presidencies on the new collective quantified goal	The Presidencies will then seek to arrange bilaterals with the relevant Parties and negotiating groups on this topic ahead of the incoming COP 26 Presidency's July Ministerial (25-26 July 2021)	Parties and negotiating groups who wish to make representations to notify the Presidency by 9 July
Bilateral consultations by the Presidencies on deliberations on the new collective quantified goal	The Presidencies will arrange consultations with interested Parties to provide more detailed representations on their expectations of the outcome and working modalities in Glasgow.	During July
UK July Ministerial	There will be a discussion on climate finance during the July Ministerial. The representative group of ministers invited will have the opportunity to exchange further views on, amongst other important climate finance topics, what a successful outcome in Glasgow would look like in relation to the deliberations on the new collective quantified goal.	25-26 July
Multilateral exchange of views on matters relating to the 7th review of the Financial Mechanism and matters relating to the review of the functions of the SCF	The Presidencies will engage Parties in discussing ways to advance technical work on the reviews and their expectations for Glasgow.	Week of 26 July
AUGUST 2021		
Presidencies to open their request for inputs in writing on Long-Term Finance	The Presidencies will request Parties to provide inputs in writing on this matter detailing their views on future discussions on matters related to long-term finance, with suggested guiding questions.	Starting week of 2 August
Presidencies to open their request for inputs in writing on matters relating to the 7th review of the Financial Mechanism	The Presidencies will request further inputs in writing to further elaborate views on the 7th review of the Financial Mechanism, including with regards to possible terms of reference for the 7th review of the Financial Mechanism.	Starting week of 2 August
Presidencies to open their request for inputs in writing on matters	The Presidencies will request further inputs in writing to further elaborate views on the	Starting week of 2 August

relating to the review of the functions of the SCF.	review of the functions of the SCF, including with regards to possible terms of reference for the review of the functions of the SCF.	
Further bilateral consultations by the Presidencies on deliberations on the new collective quantified goal	The Presidencies will invite Parties to provide more detailed representations on their expectations of the form of the discussion and the outcome in Glasgow in relation to the new collective quantified goal. These will be informed by an informal Presidencies' summary paper.	30 August - 10 September
September 2021		
Expected closing date of the Presidencies' request for inputs in writing on Long-Term Finance	The Presidencies will close their request for written inputs on this matter.	17 September
Expected closing date of the Presidencies' request for inputs in writing on matters relating to the 7th review of the Financial Mechanism	The Presidencies will close their request for written inputs on this matter.	17 September
Expected closing date of the Presidencies' request for inputs in writing on matters relating to the review of the SCF	The Presidencies will close their request for written inputs on this matter.	17 September
2nd multilateral exchange of views on matters relating to the 7th review of the Financial Mechanism and on matters relating to the review of the SCF	This will be a further opportunity for Parties to discuss ways to advance technical work on the reviews.	Week of 27 September
Before Pre-COP	The Presidencies will reflect on the need for any additional work between pre-COP and COP 26.	Prior to 30 September
Pre-COP	Parties will have the opportunity to engage further on key finance issues at pre-COP.	30 September – 2 October 2021