



Summary of Informal Intersessional Work on Climate Finance Matters from the COP 25 Presidency and the Incoming COP 26 Presidency

Purpose

1. This document and its annexes summarise the informal intersessional work that has been facilitated by the COP 25 Presidency and the incoming COP 26 Presidency on mandated climate finance issues under the responsibility of the Governing Bodies, in line with the plan for informal intersessional work on climate finance matters we published at the end of June 2021¹.
2. We have been encouraged by the active engagement of Parties in the informal work we have facilitated on climate finance. We wish to thank Parties for the support and trust given to us in this regard. This summary is produced for transparency and inclusivity and to enable progress at COP 26.

Background

3. In Spring 2021, the COP 25 Presidency and the Incoming COP 26 Presidency 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.
4. We were encouraged by the active participation of all Parties during these consultations. We committed to continuing 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 published our plan for informal intersessional work on climate finance matters at the end of June 2021.
5. This work plan focused on helping Parties prepare for discussions in Glasgow on specific mandated climate finance issues under the responsibility of the Governing Bodies. It reflected the five key

¹The Plan for Informal Intersessional Work on Climate Finance Matters from the COP 25 Presidency and the Incoming COP 26 Presidency is at this link: <https://unfccc.int/sites/default/files/resource/2021-06-29%20Presidencies%20Plan%20for%20Informal%20Intersessional%20Work%20on%20Climate%20Finance%20Matters.pdf>

²The Reflections Note from these Bilateral Consultations is at this link: <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 The Co-Chairs' summary of this multilateral consultations on Finance is at this link: https://unfccc.int/sites/default/files/resource/Co-Chairs%20Summary_Finance.pdf

takeaways from our previous discussions with Parties relating to the modalities for further informal work on climate finance issues:

- i) There was 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 wanted to see a clear way forward from the Presidencies on informal intersessional finance work;
 - iii) Informal intersessional work needed to continue to be guided by our principles of transparency and inclusivity;
 - iv) There was general consensus that progress in informal intersessional finance work should be captured in balanced and informal written outputs (with no formal status);
 - v) It was 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. As with other areas beyond finance, in developing our approach, we also took into account 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.
 7. 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 made progress on all issues ahead of Glasgow, we confirmed to Parties that the Chairs of the Subsidiary Bodies would 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 confirmed that we would not conduct parallel intersessional work so as to avoid duplication.

Summary of engagement with Parties under our informal work plan

8. Under our informal work plan we facilitated informal work by Parties in relation to: the initiation of deliberations on the New Collective Quantified Goal on Finance; Long-Term Finance; the Seventh Review of the Financial Mechanism; and the Review of the Functions of the SCF.
9. Throughout our informal engagements we have made clear that all work conducted under the joint Presidencies informal work plan and summarised in this note has been informal with no formal status. This includes all associated documents and outputs, including those annexed to this summary. We encourage Parties to make appropriate use of the informal work facilitated by the Presidencies as a reference point to draw on during their formal discussions in Glasgow.

New Collective Quantified Goal

10. At the end of June 2021, the COP 25 Presidency and the incoming COP 26 Presidency issued an open call to Parties and negotiating groups to have informal bilateral consultations. These focused on expectations for what an agreed forward approach coming out of Glasgow may look like for future deliberations on the new collective quantified post-2025 finance goal. In July and August, we held these informal bilateral consultations with the significant number of Parties and negotiating groups that had responded to this open call.

11. These informal consultations built on the views we had heard on this topic through previous interactions with Parties. Additionally, at the incoming COP 26 Presidency's informal Ministerial meeting on 25-26 July, attending Ministers discussed the topic of mobilising finance. This included considering what they saw as the main questions that needed to be addressed through deliberations on the new goal and the key components of the future approach to deliberations that should be agreed in Glasgow⁴.
12. On 9 September 2021, we issued an informal reflections paper based on these engagements⁵. Recognising that Parties had clearly evolved their thinking, we then undertook further technical informal bilateral consultations between the Presidencies and Parties to hear reactions to this reflections note, to further test views on other proposals, and to further understand expectations around the forward approach to be agreed in Glasgow. Furthermore, at the Pre-COP meeting in Milan on 30 September - 2 October 2021 attending Ministers and high-level representatives had further discussions on mobilising finance, including with regards to the initiation of deliberations on the new goal, in the context of their expectations for the COP 26 outcome⁶.
13. Following this, we are now providing Parties with **a second informal note on the topic of the new collective quantified finance goal reflecting on the further views expressed by Parties concerning possible concrete elements of the outcome in Glasgow on this matter. This can be found in Annex A.**

Long-Term Finance

14. In their early bilateral engagements with the COP 25 Presidency and incoming COP 26 Presidency, many Parties expressed clearly defined views in relation to the status of the Long-Term Finance (LTF) agenda item beyond COP 26. Noting the further work required to approach consensus, the Presidencies invited informal inputs in writing on the substance of Parties' expectations concerning the COP 26 outcome on the LTF and their views on future discussions on matters related to the LTF⁷. We would like to thank those Parties that responded to this invitation.
15. The informal written inputs we received have been compiled by the UNFCCC secretariat and can be found on the UNFCCC website⁸. Additionally, **we are providing, under the authority of the Presidencies, an informal reflections note on the views expressed by Parties in their informal written inputs and engagements with us on the LTF. This can be found in Annex B.**
16. The annexed informal reflections note should be read as a non-exhaustive summary, created to highlight the key issues on which we feel Parties will need to continue to engage in Glasgow.

⁴The Chair's summary from the July Ministerial is at this link: <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-24>

⁵The reflections paper on the informal bilateral consultations on the topic of the new collective quantified finance goal is at this link: <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-25>

⁶The Chair's summary from Pre-COP is at this link: <https://ukcop26.org/pre-cop26-chairs-summary/>

⁷The invitation from COP25 and COP26 Presidencies to Parties provide written inputs is at this link: <https://unfccc.int/sites/default/files/resource/2021-08-17%20LTF%20Invitation%20for%20Informal%20Written%20Inputs.pdf>

⁸<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>

Seventh Review of the Financial Mechanism

17. Noting the willingness we heard from Parties to engage in informal work on this issue ahead of COP 26, the Presidencies held on 5 - 6 August 2021 an informal facilitated multilateral exchange of views on the Seventh Review of the Financial Mechanism (FM)⁹. These informal sessions were intended to provide an informal space for Parties, with the support of the Presidencies, to share views on general expectations for the Seventh Review of the FM, including possible Guidelines, timing, and any other matters Parties wished to raise.
18. Following the informal multilateral exchange of views, the Presidencies then invited Parties to provide informal written inputs on the Review. The purpose of these was to allow Parties to provide detail in writing on the points they raised during the multilateral exchange of views sessions, as well as any reflections or additional detail following the sessions, according to Parties' preferences; to respond to points raised by other Parties; and to give Parties that were not able to participate in the informal exchange of views sessions an opportunity to provide inputs¹⁰. Written inputs from the nine Parties that provided them have been compiled by the UNFCCC secretariat and can be found on the UNFCCC website¹¹.
19. **In Annex C we have provided our reflections, under the authority of the Presidencies, on the views expressed by Parties in the aforementioned engagements.** The annexed informal paper should be read as a non-exhaustive summary, created to highlight the key issues on which we feel Parties will need to continue to engage as we approach Glasgow.

Review of the Functions of the Standing Committee on Finance

20. Noting the similar willingness we heard from Parties to engage in informal work on this issue ahead of COP 26, the Presidencies held on 5 - 6 August 2021 an informal facilitated multilateral exchange of views on the Review of the Functions of the Standing Committee on Finance (SCF)¹². These informal sessions were intended to provide an informal space for Parties, with the support of the Presidencies, to share views on general expectations for the Review of the Functions of the SCF, including possible Terms of Reference (ToR), timing, and any other matters Parties wished to raise.
21. Following the informal multilateral exchange of views, the Presidencies then invited Parties to provide informal written inputs on the Review of the Functions of the SCF. The purpose of these inputs was to allow Parties to provide detail in writing on the points they raised during the multilateral exchange of views sessions, as well as any reflections or additional detail following the sessions, according to Parties' preferences; to respond to points raised by other Parties; and to give Parties that were not able

⁹ The Information Note for the Informal Multilateral Exchange of Views is at this link:

https://unfccc.int/sites/default/files/resource/Information%20Note%20FM%20and%20SCF%20Review%20multilateral%20exchange_0.pdf.
The Background Note for the Informal Multilateral Exchange of Views on the Seventh Review of the Financial Mechanism, including the guiding questions for the session, is at this link:

https://unfccc.int/sites/default/files/resource/Background%20Note%20to%20Parties%20FM%20Review_0.pdf.

¹⁰ The invitation from COP25 and COP26 Presidencies to Parties provide written inputs is at this link:

<https://unfccc.int/sites/default/files/resource/2021-08-17%20FM%20Review%20Invitation%20for%20Informal%20Written%20Inputs.pdf>.

¹¹ <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>

¹² The Information Note for the Informal Multilateral Exchange of Views is at this link:

https://unfccc.int/sites/default/files/resource/Information%20Note%20FM%20and%20SCF%20Review%20multilateral%20exchange_0.pdf.
The Background Note for the Informal Multilateral Exchange of Views on the Review of the Functions of the SCF, including the guiding questions for the session, is at this link:
<https://unfccc.int/sites/default/files/resource/Background%20Note%20to%20Parties%20Review%20of%20the%20SCF.pdf>.

to participate in the informal exchange of views sessions an opportunity to provide inputs.¹³ Written inputs from the ten Parties that provided them have been compiled by the UNFCCC secretariat and can be found on the UNFCCC website¹⁴.

22. **In Annex D we have provided our reflections, under the authority of the Presidencies, on the views expressed by Parties in the aforementioned engagements.** The annexed informal paper should be read as a non-exhaustive summary, created to highlight the key issues on which we feel Parties will need to continue to engage as we approach Glasgow.

Thanks to Parties

23. The COP 25 Presidency and the incoming COP 26 Presidency would once again like to thank Parties and negotiating groups for their active participation and collaboration in the informal work we have facilitated and summarised in this note. Recognising that this work has been informal with no formal status, we hope Parties will find it useful as a reference point so we can all come prepared for COP 26 and Parties can hit the ground running when formal discussions begin in Glasgow.

¹³ The invitation from COP25 and COP26 Presidencies to Parties provide written inputs is at this link:

<https://unfccc.int/sites/default/files/resource/2021-08-17%20SCF%20Review%20Invitation%20for%20Informal%20Written%20Inputs.pdf>.

¹⁴ <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>