India’s submission on the New Collective Quantified Goal (NCQG)

A. Background

Para 53, decision 1/CP21, decided that CMA shall set the NCQG from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries. The goal needs to be set prior to 2025.

Decision 9/CMA3 set up an ad hoc work program for 2022-24 under the CMA. As part of the ad hoc work program, four Technical Expert Dialogues (TEDs) are to be organised each year. Co-chairs are then to prepare annual summaries of discussions at the end of each year. As per para 16 of the decision, the NCQG must consider the needs and priorities of developing countries and include, inter alia, quantity, quality, scope and access features, as well as sources of funding, of the goal and transparency arrangements.

CMA5 decided that the co-chairs of the ad hoc work program will submit a substantive framework for a draft negotiating text capturing progress made in 2024 for CMA6. It further decided that at least three TEDs will be organised in 2024 to allow detailed discussions on elements of the goal, which will inform the ad hoc work program meetings. There will be at least three such ad hoc work program meetings.

India welcomes the COP28 outcome and looks forward to actively participating in the dialogues ahead and interacting with a wide range of stakeholders. India also expects fruitful negotiations during ad hoc work program meetings.

Co-chairs of the ad hoc work program prepared an annual report following discussions during TEDs organised in 2023. The report provides options for different elements of the NCQG: temporal scope, quantum, and ways to determine it; options for various sources; qualitative elements; tracking progress under the goal; and frequency of reporting. This report provides a good starting point and should be considered along with submissions made by parties so far by the co-chairs in preparing the initial draft of the substantive framework.

B. Principles and Substantive elements of NCQG

Climate finance is an important enabling pillar for climate action under the United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement. To be effective and in line with the decisions so far, the goal must have quantum, time frame, and qualitative elements. The time frame needs to be 10 years (2025-35) and should have annual mobilization targets for 2025-30 and 2030-35 separately to be in sync with NDC cycles and UNFCCC processes. The
period can work well with a revision of quantum after that period in line with the updated needs of developing countries. So far, we have advocated for a single goal without any sub-goals. However, there needs to be a broad direction on the balance between adaptation and mitigation flows.

It is important to adhere to principles to ensure the successful finalization of the NCQG.

Alignment with the Principles of UNFCCC and its Paris Agreement: The setting up of the NCQG must be firmly rooted in the fundamental principles and consensus outlined in the Paris Agreement. Drawing guidance from Articles 2 and 9 of the Agreement, the NCQG should effectively embody equity, common but differentiated responsibilities, and respective capabilities. By adhering to these principles, the NCQG process can uphold the integrity and spirit of the Paris Agreement, fostering equitable outcomes for all nations.

There are lessons to be learnt from the past. The way forward is actually capturing the data at a granular level in a transparent way to bring the credibility and accuracy of the numbers reported and addresses the principles of adequacy and predictability. Building upon the lessons learned from the unmet $100 billion target, developed nations must adopt a proactive stance towards fulfilling their climate finance commitments. By addressing past shortcomings and rectifying deficiencies, developed countries can instill greater confidence and trust in the climate finance process, fostering a conducive environment for effective collaboration and progress.

It is to be noted that quantum and time frame cannot be determined in isolation. In line with the needs of developing countries, developed countries need to provide at least USD 1 trillion per year, composed primarily of grants and concessional finance. With the availability of the updated Needs Determination Report, the quantum can be scaled up in proportion to the rise in the needs of developing countries.

Transparency is another crucial qualitative element. Enhanced Transparency Framework provides a good basis for this purpose. However, it needs to be supplemented by an operational climate finance definition. Such a definition will help gauge the levels of actual climate finance flows. Going ahead, ex-ante reporting under Article 9.5 should also provide information on developed countries' plans regarding channeling resources towards developing countries. Further, the fund flow under the new goal should be affordable, accessible, new, and additional.
C. Responses to the questions on the process to be adopted

How should the TEDs and the meetings under the ad hoc work program be organised to bring together the elements of the NCQG and the options identified under each element, taking into account the linkages across each element and progress made in the previous meetings;

TEDs should have the active participation of all the relevant stakeholders, whereas the ad hoc work program meetings should be Parties driven.

Every TED should focus on a theme covering at least one of the three main aspects of the elements- Quantity, quality, and time frame. Detailed discussion on a specific aspect of the goal must be summarised, and the summary must inform the ad hoc work program meeting.

The Parties in the ad hoc work program may take the inputs received into account in their discussion on the elements of the goal, taking into account the linkages across elements. The detailed deliberations, along with options, must be reflected by the co-chairs in a summary.

It needs to be ensured that ad hoc work program meetings have enough time to allow for in-depth negotiations.

The first TED can take up the timeframe of the goal and be guided by the options provided by the annual report. The ad hoc work program meeting may subsequently take this into account in their deliberations to further streamline the options presented in the existing annual report of the co-chairs.

Similarly, the second TED should work on elements related to the qualitative aspect of the goal. The funds provided should be climate specific, concessional and over and above the existing ODA commitment and should not be counted towards fulfillment of existing national ODA commitments. It is pivotal that the flow of resources is predictable and adequate to allow the developing countries to plan climate action appropriately and enable interventions in keeping with the national priorities of the developing country. The ad hoc work program meeting may subsequently take this into account in their deliberations to further streamline the options presented in the co-chairs’ annual report. Lastly, the third TED can deliberate on the quantity of the goal, which can then feed into the work of the third meeting of the ad hoc work program like the earlier meetings of the ad hoc work programme.

One or more meetings of the ad hoc work program can then be organised in addition to the three held in continuation of the TEDs to enable a comprehensive
deliberation on all issues to arrive at the draft substantive framework for the negotiations during CMA6.

It is to be noted that all elements of the NCQG are connected. For instance, timeframe and quantum cannot be determined in isolation. While we need detailed discussions on each element, such interconnection should also be explored and discussed. Also, quantum is one central aspect of the goal that needs to be taken up across all the meetings, given its interlinkages with other elements of the goal.

Clarifying these linkages will facilitate decisions on a process to track progress towards the new goal. There is also a need for connecting the NCQG to the enhanced transparency framework under Article 13 of the Paris Agreement that specifies how Parties must report on progress in their mitigation and adaptation measures and support provided or received.

Climate Finance is an obligation of the developed world to the developing world owing to their (developed countries) stock of GHG in the atmosphere. Funds have to be grant/concessional basis and hence articles 2 and 9 should be kept in mind together. Processes going under SCF such as the definition of climate finance and Global StockTake (GST) should be integrated with the NCQG TEDs so as to have better clarity and understanding.

How should progress be captured between the technical expert dialogues and the meetings under the ad hoc work programme and from one meeting to the next with a view to developing the substantive framework for a draft negotiating text by CMA 6;

The proceedings of each TED must be summarised by the secretariat and distilled by the cochairs in the form of an input paper for the ensuing meeting of the ad hoc work programme. The ad hoc work program meeting may subsequently take this into account in their deliberations to further streamline the options presented in the co-chairs' annual report.

After each TED and the ad hoc work programme meeting, the cochairs may prepare a report with a subsequent iteration of the suggested framework.

On the completion of the three TEDs and the ad hoc working, one or more further meetings of the ad hoc work program will enable comprehensive deliberation with a view to developing the substantive framework for a draft negotiating text by CMA6. The work of the Ad hoc work programme must ensure that the NCQG services the commitments under the Convention and its Paris Agreement. Further, the goal has to be cyclic in nature so as to incorporate future upscaling of NDCs and the requirements of developing countries.
How to best utilize and organize the High Level Ministerial Dialogue to facilitate reaching an agreement on the NCQG at CMA6?

The HLMD should be organised before the third meeting of the ad hoc for stocktaking of the progress made vis-à-vis the agreed work plan. Further, the HLMD can guide if more ad hoc work program meetings are required after its third meeting. It can also advise on the issues to be taken up during these meetings.