

Conference Room Paper: Group of Like Minded Developing Countries and the African Group of Negotiators

Decision XX/CMA.4: Launching the new collective mobilization goal on climate finance

The Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement

1. *Recalls* Decision 1.CP/21, that prior to 2025 the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement shall set a new collective quantified goal from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries, and in particular the special circumstances of Africa, noting that the mobilization goal is over and above the obligations on developed countries to provide climate finance under the Convention and Paris Agreement;
2. *Takes note* of the needs determination report outlining the needs of developing countries and the subsequent deliberations by the COP/CMA, as well as other mandated processes regarding the needs of developing countries;
3. *Underlines* the urgency of developed countries implementing their commitments under the Convention and Paris Agreement related to financing, transfer of technology and capacity building, in particular in meeting the costs of adaptation in developing countries;
4. *Stresses* the urgent need for developed country Parties to provide scaled-up, adequate, sustainable, predictable, new and additional financial resources, mainly from public sources, to developing countries to allow their participation in the global effort to meet the goals of the Convention and its Paris Agreement;
5. *Recognizes* the importance of providing clarity on the level of support, in particular financial support, that will be provided by developed country Parties to developing country Parties to allow for enhanced implementation of the Convention and Paris Agreement, and in particular with regard to adaptation and as a crucial element to create the necessary conditions for enhanced participation of developing countries in the global effort to combat climate change and adapt to its adverse effects;
6. *Stresses* that public finance has played and will continue to play the key role in long term finance, and noting that issues of predictability and sustainability are crucial for ensuring implementation of developing countries pledges under their NDCs, and further noting the importance of assessing the predictability, adequacy and sustainability of any proposed sources of finance;
7. *Acknowledges* the pledges made by some developed country Parties at COP26 and urges all developed country Parties to announce pledges on the provision of financial resources for developing countries;

8. *Underscores* that the post 2025 mobilization goal must reflect the ambition, progression and the collective agreement to stay well below 2c and aspire to stay within the 1.5c temperature goal, and therefore agrees that the deliberations on the a quantum mobilization target should start from range of a commitment by developed countries to mobilize jointly at least USD 1.3 trillion per year by 2030, of which 50% for mitigation and 50% for adaptation and a significant percentage on grant basis from a floor of USD 100 billion, taking into account the needs and priorities of developing countries outlined in the Updated NDCs;
9. *Stresses* the need to achieve a balanced allocation of resources through the financial mechanism of the convention between adaptation and mitigation, expresses concern over the fact that adaptation continues to receive a minor share of total climate financial flows, and recalls that the Paris Agreement states that the provision of scaled up financial resources needs to consider the need of public and grant basted resources for adaptation;
10. *Also decides* that the work on the new quantified mobilization goal for developed countries shall be for the period 2025 to 2030 and that the formulation of the new goal shall be informed by inputs from Parties, technical bodies and processes under the Convention, in particular the Standing Committee on Finance;

Option 1: Ad Hoc Committee

11. Decides to establish an ad hoc committee, in accordance with the terms of reference contained in appendix XXX to this decision, to conduct the technical analysis and undertake multilateral consultations on the new collective quantified goal;
12. Further decides that the Committee shall develop and recommend to the CMA for its approval at its [xxx] session a new quantified global goal on finance, furthermore the Committee shall provide updated reports to the CMA until it finalizes its work in COP (xxx);
13. Also decides that the Committee shall have [xxx] members, with [xx] members from developed country Parties and [xxx] members from developing country Parties as follows:
 - a. [xx] members from Africa;
 - b. [xx] members from Asia;
 - c. [xx] members from Group of Latin America and the Caribbean;
 - d. [xx] members from small island developing States;
 - e. [xx] members from the least developed countries;
14. Invites the Secretariat, in consultation with the current and incoming Presidencies, to convene the initial meeting of the Committee no later than March 2022, with a view that the committee holds at least two physical meetings per year in addition to those in conjunction with the annual SB sessions;

15. Decides that the meetings of the Committee shall be funded through the core budget of the UNFCCC.

Terms of Reference

The Committee shall develop and recommend to the CMA for its approval at its [xxx] session a new quantified global goal that address the following, *inter alia*:

1. A new collective quantified annual mobilization goal taking into account the needs and priorities of developing countries;
2. Resources needed and available to meeting the goals of the Convention and Paris Agreement, in particular resources to support developing countries to implement mitigation and adaptation action in order to contribute to the global efforts to address climate change;
3. Expectations of resources to be provided and mobilisation by public interventions;
4. Resources needed and available to financing the Just Transition pathway towards low emission and climate resilient development in developing countries, including for technology transfer, development and diffusion, capacity building and public education, awareness and training
5. Agreement on an appropriate burden-sharing arrangement among developed country parties for the provision of financial support based on responsibility and respective capability;
6. The definition of climate finance in line with the relevant provisions of the Convention, including the definition of mobilized private finance;
7. Guidelines to guarantee that the need of developing countries for public and grant based resources for adaptation is given full consideration.
8. The form of the finance and instruments to be used to channel the new financial resources, including ways to avoid net incidence on developing countries; and
9. Applying lessons learned from the USD 100b per-2020 goal.

In the conduct of its work, the Committee/Work Programme shall, *inter alia*:

1. Convene its first meeting by March 2022;
2. Encourage input from all Parties and from relevant constituted international organizations and observers;
3. Hold regional consultations in developed countries and developing countries;
4. Hold a technical examination process of climate finance in 2022;
5. Take into account the findings contained in relevant reports from the Constituted bodies and the IPCC;
6. Ensure its meetings are open to observers, and are webcast.

Option 2: Open-ended Ad Hoc Working Group/Work Programme on Long-term Finance

16. *Decides* to establish an Ad Hoc Working Group on Long-term Finance (AWG-LTF) to consider issues related to long-term finance in order to prepare technical recommendations to the CMA on the establishment of the post - 2025 new collective goal;

17. *Also decides* that the work of the AWG-LTF will focus on the quantifying contributions by developed country Parties to scale up the mobilization of climate finance, informed by inputs from Parties, technical bodies and processes under the Convention, in particular the Standing Committee on Finance;
18. *Further decides* that the AWG-LTF shall start its work in the first quarter of 2022 and shall hold two physical meetings a year in addition to meetings in parallel with the subsidiary bodies of the Convention and other virtual/physical sessions, and shall report to the future sessions of the CMA on the progress on all its areas of work;
19. *Invites* the current and incoming President of the Conference of the Parties to appoint two co-chairs, one from a developing country Party and one from a developed country Party, and 5 Vice-Chairs;
20. *Decides* that the AWG-LTF shall develop and recommend to the CMA for its approval at its [xxx] session a new quantified global goal that address the following, *inter alia*:
 - a) A new collective quantified annual mobilization goal taking into account the needs and priorities of developing countries;
 - b) Resources needed and available to meeting the goals of the Convention and Paris Agreement, in particular resources to support developing countries to implement mitigation and adaptation action in order to contribute action in order to contribute to the global efforts to address climate change;
 - c) Expectations of resources to be provided and mobilisation by public interventions;
 - d) Resources needed and available to financing the Just Transition pathway towards low emission and climate resilient development in developing countries, including for technology transfer, development and diffusion, capacity building and public education, awareness and training
 - e) Agreement on an appropriate burden-sharing arrangement among developed country parties for the provision of financial support based on responsibility and respective capability;
 - f) The definition of climate finance in line with the relevant provisions of the Convention, including the definition of mobilized private finance;
 - g) Guidelines to guarantee that the need of developing countries for public and grant based resources for adaptation is given full consideration.
 - h) The form of the finance and instruments to be used to channel the new financial resources, including ways to avoid net incidence on developing countries; and
 - i) Applying lessons learned from the USD 100b per-2020 goal.

In the conduct of its work, the Committee/Work Programme shall, *inter alia*:

- a) Convene its first meeting by March 2022;
- b) Encourage input from all Parties and from relevant constituted international organizations and observers;

- c) Hold regional consultations in developed countries and developing countries;
- d) Hold a technical examination process of climate finance in 2022;
- e) Take into account the findings contained in relevant reports from the Constituted bodies and the IPCC;
- f) Ensure its meetings are open to observers, and are webcast.

21. *Invites* Parties and the thematic and expert bodies to provide their views on issues related to Paragraph XX above with a view to preparing a work programme for the AWG-LTF.