

ENGO-DCJ Submission
on the
Work Programme on Climate Finance, including on Article 9.1 of the Paris Agreement in
the context of Article 9 of the Paris Agreement as a whole

The Global Campaign to Demand Climate Justice (DCJ) would like to take this opportunity to emphasise that we were in full support of the original agenda item proposal “[Implementation of Article 9.1 of the Paris Agreement](#)” which was straightforward in its purpose and backed by developing countries represented by the Group of 77 and China.

Principles and obligations

The current climate finance work programme, arrived at as a compromise in Belem due to rigid opposition by developed countries to the original proposal, therefore needs to **bring back the rightful focus on Article 9.1 of the Paris Agreement (PA)** which clearly mandates the legal obligations and commitments of developed countries to provide climate finance, “in continuation of their existing obligations under the Convention”. Specifically Article 4.3 of the Convention provides for “new and additional” financial resources by developed countries to developing countries as well as the “need for adequacy and predictability in the flow of funds and the importance of appropriate burden sharing” among developed countries; furthermore, it directly links to Article 11 of the Convention which defines the “Financial Mechanism” as a “mechanism for the provision of financial resources on a grant or concessional basis, including for the transfer of technology”. All these fundamental elements, based on the underlying principles of equity and common but differentiated responsibilities and respective capabilities, are therefore legally tied to Article 9.1 of the PA and must be addressed comprehensively by the thematic pillars of the work programme to arrive at concrete outputs and outcomes that are actionable and meaningful.

Context

The provision of climate finance on a grant or concessional basis to developing countries is also of utmost significance given the real-world context of their unsustainable debt burden, which in turn is due to a global economic and financial system of power imbalance, unending dependency, structural and political marginalization of the Global South, persistent development challenges amid austerity measures, and erosion of policy space and sovereignty in developing countries. The Covid pandemic, the war on Ukraine, and now the war on Iran — all external shocks of no fault of the countries suffering their worst impacts — have exacerbated these debt burdens. Added to this mix are the geopolitical battles, developed countries slashing their ODA as well as climate finance while redirecting billions of public money into re-armament, fossil fuel subsidies and an onslaught of unilateral measures blatantly breaching international laws and norms.

The pervasive market-based system of finance, trade and investment in the form of a creditor-centred debt architecture that forces countries into austerity and carbon lock-in for debt repayment instead of timely, sufficient and fair multilateral sovereign debt workout to open fiscal space for

climate finance; a trade system beset by unjust unilateral measures such as the carbon-border adjustment mechanisms and stringent intellectual property rights hindering technology transfer; and imbalanced investment regimes with investor-state dispute settlements taking on sovereign states, among others, are to the detriment of developing countries' interests and policy space and to their important roles as a developmental state.

Given this context, fulfilling the mandated provision of new, additional, adequate, and predictable climate finance by developed countries is essential to enable necessary climate action by developing countries.

Furthermore, the role and delivery of Article 9.1 is key in the context of the new collective quantified goal on climate finance (NCQG) of at least USD 300 billion per year by 2035 and the aspirational target of at least USD 1.3 trillion per year by 2035. Solid and substantial provision of finance is imperative to enable the mobilisation expected to meet these figures - and to go beyond, given that the NCQG is a highly unambitious goal falling far short of both demand and actual needs (with the latest Needs Determination Report citing USD 5.01-6.88 trillion up to 2030 for developing countries' NDCs alone, not taking into account additional costs of the energy transition away from fossil fuels).

Discussion questions

**(a) What are your overall expectations for the climate finance work programme?
What concrete outputs and outcomes should the climate finance work programme deliver?**

The overall expectations including concrete outputs and outcomes must ensure the operationalisation of Article 9.1 of the PA and the delivery of provision of new, additional, adequate, and predictable climate finance by developed countries to developing countries.

To achieve this, a Work Programme on Climate Finance must address the barriers blocking developed countries' provision of "adequate and predictable" public grants that are "new and additional" given the mounting costs and assessed needs of developing countries that continue to go unfulfilled due to lack of funding. Open and direct dialogue on political dynamics and domestic forces hindering the provision of climate finance — including deliberate disinformation initiatives, limited awareness among policy makers who allocate funds and an absence of public education efforts necessary to establish and maintain public support — can improve understanding and international cooperation to better fulfill legal commitments under Article 9.1

Potential sources of revenue enabling more adequate and predictable flows, including the six sources previously prioritized prior to NCQG: fossil fuel subsidies, military spending, royalty payments to patentholders, as well as tax, trade and debt justice policies.

Given the work programme is time bound to only two years, one concrete outcome should be the **establishment of a standing agenda item under the CMA to consistently monitor, review, and**

take stock of the operationalisation of Article 9.1 of the PA to further ensure transparency and accountability in the process.

Another concrete output should be a stand-alone report on Article 9.1 by the Standing Committee on Finance (SCF), produced annually assessing the scale of provision of direct, non-debt climate finance taking into account the fundamental elements of new and additionality, adequacy, predictability, transparency as well as accessibility. Alternatively, a stand-alone chapter on Article 9.1 in the SCF's report on Biennial Assessment and Overview of Climate Finance Flows.

(b) What are the thematic pillars of the climate finance work programme and the related subtopics that we should address within each pillar?

As underlined earlier, the fundamental elements of provision of climate finance stemming from Article 4.3 of the Convention – new and additional, adequacy and predictability, and importance of appropriate burden sharing among developed countries – are legally tied to Article 9.1 of the PA, and therefore, must be addressed comprehensively by the thematic pillars of the work programme.

The following thematic pillars would address the above elements effectively:

1. Scope of Article 9.1

Climate finance as “new and additional” grants or on concessional basis, as opposed to current accounting by developed countries of inclusion of overseas development assistance (ODA) as well, as is evident in their biennial transparency reports (BTRs). This issue of double or even multiple counting has been a persistent problem and needs urgent resolution towards common accounting methodologies.

2. Adequacy, Quality and Predictability

To date, the status of financial resources in the operating entities of the Financial Mechanism – the Green Climate Fund (GCF), the Global Environment Facility (GEF), the Adaptation Fund and the Fund for responding to Loss and Damage (FRLD) – have been dismal and not at all commensurate with the needs of developing countries for climate action. Additionally, the monetisation of pledges has been witnessed to be overly time consuming and thus affecting the commitment authority of the Funds.

3. Burden sharing among Developed Countries

The rationale of this important provision to ensure adequacy and predictability of climate finance becomes crystal clear in today's geopolitical reality of the finance vacuum created by the largest historical and current emitter with the greatest capabilities — the United States — withdrawal from both the Convention and its Paris Agreement. Further, the UK and Canada have also announced cuts in climate finance. Therefore, an appropriate and fair burden sharing arrangement among

developed country Parties to fill these gaps and still meet their long-overdue financial obligations is necessary and warrants frank deliberations on the matter.

4. Accessibility

Direct and simplified access is again a longstanding issue for developing countries who not only struggle with capacity constraints but also face policy conditionalities as well as politically motivated barriers, as has been witnessed at the GCF during approval of funding proposals of developing countries.

(c) How should the climate finance work programme be organized to ensure that the format is inclusive, balanced, and technically robust, while addressing climate finance comprehensively and delivering outcomes that are actionable and meaningful?

The work programme should be organised with two technical dialogues and a high-level ministerial per year, which would collectively feed into the upcoming second global stocktake (GST 2) scheduled in 2028. Also, the establishment of a standing CMA agenda item, after completion of the two-year work programme, would ensure consistent inputs into the future GSTs.

The technical dialogues should ensure inclusive and balanced participation of civil society organisations.