Joint Submission of the Like-Minded Developing Countries (LMDC) and Arab Group

Dear Executive Secretary, SBI Chair, and COP Presidency,

In pursuance of the Provisional agendas of COP 30 (FCCC/CP/2025/1) Agenda Item 18, CMP 20 (FCCC/KP/CMP/2025/1) Agenda item no 12 and CMA7(FCCC/PA/CMA/2025/1) Agenda Item 18, Report of the Subsidiary Body for Implementation (FCCC/SBI/2025/11) wherein the SBSTA and SBI Chairs held substantive consultations on Article 9, paragraph 1, of the Paris Agreement to consider substantive elements regarding the implementation of Article 9, paragraph 1, of the Paris Agreement at this session and will report back at SB 63 for Parties' consideration with a view to determining a way forward, including potentially a stand-alone agenda item on this matter, **Joint submission of Like- Minded Developing Countries (LMDC) and Arab Group** hereby submits a supplementary note on the Agenda Item **"Implementation of Article 9, paragraph 1, of the Paris Agreement"** for consideration of COP30, CMP20 and CMA7:

Expectation from COP 30, CMA 7 and CMP 20:

Rationale for the proposal:

The Paris Agreement aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, in a manner that reflects equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances. The manner in which nationally determined climate action needs to be taken to achieve the goals of the Paris Agreement is outlined within Article 3, which makes reference to other relevant Articles such as 4 and 7, among others. Article 3 is the provision that makes Article 9.1 necessary by explicitly linking the collective global effort to address climate change with the need for support, particularly for developing countries. The Paris Agreement has also been well cognisant of the fact that, given the developmental needs, developing countries have limited resources for their climate action, and they need to be provided with adequate support by developed country Parties to implement their national plans. In this context, Article 9 specifies how financial resources are to be made available to these countries.

Article 9.1 mandates that "*Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention*". The obligation under Article 9.1 is in continuation of the obligations outlined under the Convention, particularly Article 4.3 of the Convention, **mandating** that new and additional financial resources shall be provided to developing countries to meet the full cost of complying with the obligations under the Convention, including for the transfer of technology, needed by developing country Parties to meet the agreed full incremental costs of implementing measures that are covered by Article 4.1 of the Convention, and that are agreed between a developing country Party and the international entity or entities referred to in Article 11 of the Convention.

Article 4.1 of the Paris Agreement describes the collective action needed to achieve

that, on the basis of equity and in the context of sustainable development and poverty eradication. It clearly mentions that mitigation-related actions will take longer for developing country Parties. In this regard, pathways toward reaching goals of the Paris Agreement will vary between different contexts for different countries. Article 9.1 is crucial because it ensures that developing countries have the means to undertake climate action without sacrificing their economic growth, thereby ensuring a more equitable and effective global response.

Article 4.4 of the Paris Agreement states that "Developed country Parties should continue taking the lead by undertaking economy-wide absolute emission reduction targets."

Articles 4.5 and 7.13 of the Paris Agreement further mandate that support shall be provided to developing countries in accordance with Article 9 for the implementation of nationally determined climate actions outlined in line **with Article 3 covering areas delineated in Articles 4 and 7**. This is complemented by Article 9.1's mandate for developed countries to provide finance. This structure ensures that the historical responsibility and financial capacity of developed nations are acknowledged and acted upon.

The current reporting by the developed countries also does not provide adequate clarity on the extent of support provided by them in terms of quantity, quality and project-based assistance under Article 9.1. The use of different accounting methodologies by developed country Parties does not make it possible to effectively assess the ex-ante and ex-post support levels. The 2024 “Report on Common Practices regarding Climate Finance Definitions, Reporting and Accounting Methods” published by the Standing Committee on Finance (SCF) reveals that different forms, compositions, definitions of scope, methods for accounting methods, points of measurement, attribution methodologies, data characteristics and indicators, reporting approaches, aggregation methodologies, parameters and formats are core to the lack of transparency in climate finance support reporting. Some developed country Parties measure climate finance at the point of disbursement, while others measure pledges within the same reporting period, making the aggregation unreliable and not reflective of the actual level of support provided to developing countries within a time period.

As per the latest Needs Determination Report by SCF, the costed needs for nationally determined contributions of developing country Parties are at USD 5.1–6.8 trillion up until 2030, and adaptation finance needs are at USD 215–387 billion annually up until 2030. The current estimates are likely lower than the actual needs as a large part of the needs have not been costed by developing countries. The needs of developing countries run into trillions of dollars, and the mobilisation potential of developing countries have been incomparably lower.

The emphasis of developed countries so far has only been to mobilise resources (Article 9.3). Even these are minimal, limiting the availability of climate finance for developing countries. Besides, there is a lack of transparency owing to the accounting for market-rate loans and export credits, inflating the value of how much is mobilised to developing countries. Their efforts do not take into account that public resources form the basis for the mobilisation of finance. Grants, concessional finance and guarantees from the public sector of the developed countries can catalyse resource mobilisation at

an affordable cost, thus driving mobilisation while increasing direct provision to advance climate action in developing countries.

In the absence of financial resources from developed countries on a grant or concessional basis, mobilisation required to meet the needs assessment is significantly obstructed in terms of volume and quality of resources.

The mobilisation of USD 300 billion and beyond, as envisaged in COP 29's NCQG decision requires the provision of finance in accordance with Article 9.1 to achieve the mobilisation. Enhanced support through Article 9.1 is also necessary to triple the outflows of the operating entities of the Financial Mechanism and the Adaptation Fund and to make up the arrears from the USD 100 billion per year goal. Article 9.1 is key to enabling mobilisation to achieve $1.3 trillion per year flow of finance from developed to developing countries. In light of these, Parties need a dedicated discussion on Article 9.1, in the context of the Article 4.3 of the Convention and with reference to relevant Articles and provisions such as 3, 4, 7, 9 and 11 among others of its Paris Agreement through a work programme because all other agendas/forums that are not addressing Article 9.1 when it is a mandatory provision of the Paris Agreement which seeks to implement the mandatory commitments under the Convention.

We need a work programme on the agenda of "Implementation of Article 9.1 of Paris Agreement" under COP and CMA, for a period of at least 3 years, by COP33/CMA10. COP33/CMA10in 2028 will also be the year when, as per the COP29 decision, the progress on the New Collective Quantified Goal of USD 300 billion will be reported, and the Second GST will be concluded.

The work programme needs to include the following elements:

1. Discuss linkages and complementarity with the specific provisions of the UNFCCC, particularly Article 4.3 of the UNFCCC and provisions of the Paris Agreement.

2. Discuss the role of Article 9.1 in meeting the commitments under other provisions of the Paris Agreement, such as

I. Article 3 which establishes the core idea that global climate action (undertaken through NDCs) is a collective endeavour, but one where financial support is a necessary condition for developing countries to participate effectively. It sets the overarching expectation that developed nations will provide this support.

II. **Role of Article 9.1 in meeting goals under Article 4:** The overall objective of the Paris Agreement is to limit global temperature rise. Article 4 defines the "what" (mitigation action) and Article 9.1 provides the "how" (financial support) for developing countries to participate in and enhance that action. The success of the ambitious goals of the Paris Agreement hinges on the effective implementation of both articles in tandem. Article 4.5 explicitly mandates that support be provided to developing country Parties for the implementation of Article 4, in accordance with Articles 9, 10 and 11. Developing countries' ability to set and achieve NDCs (Article 4) is directly conditional on the financial support they receive from

developed countries (Article 9.1). **Linkage between Article 7 and the role of public sector finance for adaptation action (in view of their long-time horizons and risk) by Developing countries**: Article 7 aims to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change, with a view to contributing to sustainable development. It also mandates the provision of continuous and enhanced international support for developing countries. It is widely recognised that the costs of adaptation are immense. Developing countries often lack the financial resources to implement large-scale adaptation measures. Article 9.1 is the primary mechanism intended to provide the financial support needed for adaptation actions. Without the "shall provide" commitment of Article 9.1, the goals and aspirations of Article 7 would be largely unattainable for most developing nations.

III. **Role of Article 9.1 in catalysing resource flow under Article 9.3:** Article 9.3 expands on the core obligation of Article 9.1. It introduces the concept of **mobilisation**, which is different from direct provision. While Article 9.1 is about public funds "provided" by developed countries, Article 9.3 acknowledges the need to mobilise a much larger pool of finance. Article 9.3 complements Article 9.1. It recognises that the scale of climate action requires more than just public finance from developed countries. The mandated finance under Article 9.1 is seen as a key component of the broader mobilisation effort described in article 9.3, as provision of finance enables mobilisation.

IV. **Implications of Article 9.5 with respect to transparency and predictability of resource flows under Article 9.1:** Project pipelines are dependent on the predictability of the provision of finance and effective mobilisation. This is a time-consuming process. Article 9.5 directly links back to both Articles 9.1 and 9.3 as well as Article 11 of the Convention. Article 11 of the Convention calls for a predictable and identifiable manner of the amount of funding. In this regard, Article 9.5 of the Paris Agreement, which creates a mandatory reporting requirement for the financial resources that developed countries **shall provide** (9.1), plays a crucial role. Without this reporting mechanism, the obligations in Art 9.1 would lack accountability. It would be impossible for developing countries to know what to expect and for the global community to track progress. Transparency on the extent to which Article 9.1 is being implemented to understand the certainty in the flow of finance for developing countries, including through the Financial Mechanisms in line with Article 11 of the Convention, to enable ambitious climate action.

V. Article 9.1 is essential to support other means of implementation of technologies and capacity building: The Paris Agreement recognises that a successful global response requires more than just plans and finance. It requires a holistic approach that builds the capabilities of all nations to participate effectively. Article 9.1 along with Articles 11 (Capacity building) and Article 10 (Technology Transfer), form the "means of implementation" package that is crucial for enabling the core mitigation and adaptation actions outlined in Articles 4 and 7. Developing countries' capacities to effectively determine the costs of their needs and finance requirements for availing technologies would enable effective understanding of the quantum of resources required by them, which will in turn reflect the finance provisions under article 9.1 that should be signalled through 9.5.

The Expected Outcome of the Work programme is the development of an instrument for the delivery and binding action plan for climate finance in line with Article 9.1 by the end of the work programme in COP33/CMA 10.

While there are numerous agenda items to address how to achieve the mitigation and adaptation goals, there is no dedicated space for parties to discuss how to achieve the implementation of Article 9.1 of the Paris Agreement in the context of Article 4.3 the Convention and with reference to relevant Articles such as 3, 4, 7 and 9.5 of its Paris Agreement.

The standing agenda item on "Implementation of Article 9.1 of the Paris Agreement" would benefit all parties. In this context and in the spirit of international cooperation to meet the goals of the Paris Agreement, it is pertinent to decide the pathway to implement Article 9.1 in COP 30 and CMA 7, which marks the tenth year of the Paris Agreement and when new NDCs have been or are being submitted. COP 30 and CMA 7 must present an opportunity for parties to decide on the ways to implement Article 9.1 in a manner that provides additionality, predictability, concessionality and transparency from developed countries, for developing countries.

Climate finance, in general, is not without its challenges and barriers. However, the appropriate response requires an assessment of these challenges. While the mandated provision of Article 9.1 remains unaddressed, the focus is seemingly shifting to the voluntary provisions under the Paris Agreement. This shift not only undermines the vital principle of equity but also sidelines Historical Responsibilities, particularly at this critical juncture in our fight against climate change. It is imperative that we reinforce the necessity of ensuring that developed countries fulfill their obligations to provide adequate financial support to developing nations, as prescribed in the UNFCCC and its Paris Agreement. Only then can we hope to engage in a fair and effective global response to climate change.

Multilateralism seeks tangible action in the letter and spirit of the text of the UNFCCC and its Paris Agreement. Effective implementation of Article 9.1 is core to the delivery of climate action to address the goals outlined in Article 2 of the Paris Agreement.