# LMDC submission on interventions delivered during 9th Technical Expert Dialogue (TED) and the first meeting of the ad-hoc work program on the New Collective Quantified Goal

***<u>India delivered the following interventions on behalf of LMDC. These pertain to the structure of the New Collective Quantified Goal.</u>***

1. The structure of the goal must include the following elements: context, principles, quantum, timeframe, qualitative elements, and transparency.
2. ***Context*** must include the following:
    a. principles of **Article 2.2 of the Paris Agreement – CBDR-RC, NC, and equity and chapeau of Article 2.1 - poverty eradication** and **sustainable development**.
    b. **Article 3** of the Paris Agreement, which guides developing countries to provide ambitious NDCs as part of the **global effort** to achieve **Article 2 as a whole**
    c. Estimates on the **needs** of developing countries and reference evolving needs of developing countries.
    d. The lack of fulfillment of the USD 100 billion goals for over a decade.
    e. **Article 9** of the Paris Agreement guiding the developed countries to provide and mobilize resources in line with the needs of developing countries
3. Inputs on ***Quantitative elements*:**
    a. We have already proposed a **quantum of over USD 1 trillion per year**. This is based on the current needs and can be updated based on the availability of new needs.
    b. The upcoming NDR must be considered to incorporate the evolving needs of developing countries. We should also keep in mind that less than one-third of the needs have been costed. So, the current estimates provide only a floor for the needs.
    c. The evolving needs also include the requirements for loss and damage finance.
    d. Suggestions about a layered approach with innumerable imaginary layers seem meaningless to us, and they do not have any backing from the convention and its agreement. We believe that it is time for developed countries to put firm numbers on the table in line with their historic responsibilities.
4. Inputs on ***timeframe***:
    a. We believe alignment with the UNFCCC processes (e.g., NDC cycles) is important. It can be a mixture of short-term time frames enabling a combination of annual targets and cumulative targets. Such a combination will allow for consideration of any shortfalls in annual targets and the evolving needs of developing countries.
    b. The timeframe should be such that it takes care of current needs (as mentioned in the GST outcome) and the evolving needs of developing countries.
5. Inputs on ***qualitative elements***:

a. **Affordability** of fund flow will be critical. Flows should not adversely impact the macroeconomic profile of developing countries. For this, the fund flow must be primarily public grant-based, concessional, and long-term in nature.
b. A **balance between adaptation and mitigation flows**. For this to happen, the existing scale of adaptation finance flows needs to be enhanced significantly. UNEP Adaptation gap report signals the requirement of resources, which are 8 to 10 times the existing flows. Given the adverse risk-return profile of adaptation projects, the flows must be public and grant-based in line with Article 9.4 of the Paris Agreement.
c. As suggested by our colleague from **AGN and South Africa** – we suggest an element titled non-climate finance flows – including ODAs, loans at market rate, purely private sector flows at the market rate of return, and non-climate specific flows. It is to be noted that we have proposed climate finance definition as part of the transparency arrangements.
d. **Swift access to resources** – requiring simplification of access modalities and lowering of co-financing requirements.
e. **A section on dis**-enabling environment: non-appropriate budgetary procedures and policy actions by developed countries such as distortionary subsidies leading to diversion of global financial flows away from developing countries.

6. Inputs on ***transparency arrangements***:
   a. We believe that a **mix of short-term time frames** allowing for a **combination of annual targets and cumulative targets** will enable us to take care of any **shortfalls** in the delivery of the funds and also the **evolving needs of developing countries.**
   b. Also, **Ex-ante reporting** on how much-developed countries will provide as part of the existing arrangements under **Article 9.5** will be very helpful. This should be **complemented by an ex-ante burden-sharing mechanism** between the developed countries.
   c. **Processes such as the SCF report on NDR** will be important to take care of the evolving needs of developing countries.
   d. **Climate finance definition** is highly relevant in this context. Coupled with ETF, the definition will allow for more trust in the accounting of climate finance flows under the new goal. This will entail not counting ODA, non-concessional flows, and non-climate specific flows as climate finance under the NCQG. We do not agree that there is a **nationally determined approach** as far as the definition is considered, as there are clear mandates under the convention and its agreement, for instance, Article 9 clearly specifies that developed countries need to provide and mobilise finance.
7. Inputs on **cross-cutting elements**:
   a. Inclusion of climate finance definition and what is not to be counted as climate finance under the NCQG – which run across both transparency and qualitative elements.
   b. Affordable fund flow driven by concessional finance - which runs across quantum and qualitative elements.
   c. A mixture of short-term time frames and a combination of annual and cumulative targets which will be important to take care of the evolving needs of developing countries and any shortfalls in annual fund flow.

d. Alignment with NDCs/NAPs and national plans of developing countries – which will be relevant for both quantum and transparency.