



Information on progress made at the second meeting under the ad hoc work programme on the new collective quantified goal on climate finance, and the way forward

I. Introduction

A. Mandate

1. By decision 1/CP.21, paragraph 53, Parties decided that, in accordance with Article 9, paragraph 3, of the Paris Agreement, developed countries intend to continue their existing collective mobilization goal through 2025 in the context of meaningful mitigation actions and transparency on implementation; and that, prior to 2025, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) shall set a new collective quantified goal on climate finance (NCQG) from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries.¹

2. CMA 1 decided to initiate at CMA 3 deliberations on setting the NCQG, in accordance with Article 9, paragraph 3, of the Paris Agreement, from a floor of USD 100 billion per year in the context of meaningful mitigation actions and transparency of implementation and taking into account the needs and priorities of developing countries, and agreed to consider in those deliberations the aim of strengthening the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.²

3. CMA 3 decided to establish an ad hoc work programme on the NCQG for 2022–2024 and to conduct four technical expert dialogues (TEDs) per year thereunder.³ CMA 4 acknowledged the need to significantly strengthen the ad hoc work programme in the light of the urgency of scaling up climate action with a view to achieving meaningful outcomes from the deliberations on all elements and setting the NCQG in 2024 taking into account the needs and priorities of developing countries.⁴

4. CMA 5 decided to transition to a mode of work that enables the development of a draft negotiating text on the NCQG for consideration at CMA 6 and requested the co-chairs of the ad hoc work programme to develop and make available, no later than March 2024, a workplan for 2024 taking into account submissions from Parties.⁵

¹ Decision 1/CP.21, para. 53.

² Decision 14/CMA.1, paras. 1–2.

³ Decision 9/CMA.3, paras. 3 and 5.

⁴ Decision 5/CMA.4, para. 8.

⁵ Decision 8/CMA.5, paras. 1 and 12(a). The 2024 workplan is available at <https://unfccc.int/documents/637635>.

5. CMA 5 decided to conduct at least three TEDs in 2024 to allow for in-depth technical discussions on the elements of the NCQG, to be held back-to-back with three meetings under the ad hoc work programme in 2024 to enable Parties to engage in developing the substantive framework for a draft negotiating text referred to in paragraph 4 above, capturing progress made.⁶

6. It requested the co-chairs of the ad hoc work programme to prepare a summary of the discussions at each TED and information on progress made at each meeting under the ad hoc work programme and the way forward following each meeting.⁷

B. Meeting details and objective

7. The second meeting under the ad hoc work programme was held in conjunction with SB 60 and took place over four sessions.

8. Building on the options identified in 2023 which are captured in the co-chairs' annual report and its addendum⁸ and building on the outcomes of the first meeting under the ad hoc work programme held in Cartagena, Colombia, the objective of the second meeting was to develop iterations of the updated input paper referred to in paragraph 9 below, including mapping of elements and options pertaining to the NCQG.

C. Preparatory activities

9. Ahead of the second meeting, the co-chairs of the ad hoc work programme, Zaheer Fakir and Fiona Gilbert, prepared and made available an information note on progress made at the first meeting and the way forward, including an updated input paper to support discussions at the second meeting.⁹

10. The co-chairs also issued a message¹⁰ to Parties and non-Party stakeholders inviting them to submit their views on the organization of the second meeting. In addition, the co-chairs indicated their availability for bilateral consultations upon the request of interested Parties or groups of Parties to hear their views on and expectations for the second meeting.

D. Proceedings

11. The meeting was opened by the co-chairs of the ad hoc work programme, who provided an overview of the work undertaken to date under the ad hoc work programme, including a summary of the first meeting, highlights from the tenth TED, and the mandates, objectives and organization of the second meeting.

12. During the first session, Parties actively engaged on the updated input paper circulated ahead of the meeting by sharing their views on the structure of the text and the options presented under each element of the NCQG. Parties noted that the input paper was too long and hard to navigate. After Parties' views were exhausted,

⁶ Decision 8/CMA.5, paras. 9–10.

⁷ Decision 8/CMA.5, para. 12(d).

⁸ FCCC/PA/CMA/2023/11 and Add.1.

⁹ Available at <https://unfccc.int/documents/638608>.

¹⁰ Available at <https://unfccc.int/documents/638395>.

the co-chairs invited the observers present to share their views. This was followed by a statement delivered jointly by representatives of the children and youth, environmental, and trade union non-governmental organizations, Indigenous Peoples organizations and the women and gender constituency. On the basis of the views expressed at the first session of the meeting, the co-chairs produced a first iteration of the updated input paper¹¹ for consideration at the second session, by removing duplications and factual statements to simplify the text and enhance readability.

13. During the second session, participants deliberated on the first iteration of the updated input paper, offering specific suggestions for further streamlining the text. In response to the feedback from this session, the co-chairs produced a second iteration of the updated input paper¹² for consideration at the third session. Based on the second iteration, at the third and fourth sessions Parties shared their views on commonalities in the various sections of the document, particularly the sections on principles, access and transparency arrangements.

14. Over the course of the meeting, written inputs were submitted by three groups of Parties, including one proposal for an option alternative to the options presented in the updated input paper. Non-Party stakeholders also submitted the intervention made orally referred to in paragraph 12 above.¹³

15. Further information on the second meeting, including the programme and video recordings, is available on the dedicated meeting web page.¹⁴

II. Progress made and way forward

A. Progress made

16. Parties continued to engage constructively during the second meeting under the ad hoc work programme on the basis of the updated input paper prepared by the co-chairs ahead of the meeting and continuously worked on iterative developments of the input paper. Throughout the meeting, Parties provided their views on the structural elements of the NCQG, including on linkages between elements, and opportunities for streamlining the text by removing duplications and factual statements without removing substantive differences.

17. Divergent views remain in relation to several options under each element of the NCQG and how Parties see the NCQG being implemented in the future.

18. On the **preamble**, some Parties highlighted the need to recall or restate relevant provisions of the Convention and the Paris Agreement, with some arguing

¹¹ Available at <https://unfccc.int/documents/639401>.

¹² Available at <https://unfccc.int/documents/639570>.

¹³ The written inputs are available at <https://unfccc.int/topics/climate-finance/workstreams/new-collective-quantified-goal-on-climate-finance/written-inputs-received-in-the-context-of-the-second-meeting-under-the-ad-hoc-work-programme-on-the>.

¹⁴ See <https://unfccc.int/event/second-meeting-under-the-ad-hoc-work-programme-on-the-new-collective-quantified-goal-on-climate-4>, <https://unfccc.int/event/second-meeting-under-the-ad-hoc-work-programme-on-the-new-collective-quantified-goal-on-climate-5>, <https://unfccc.int/event/second-meeting-under-the-ad-hoc-work-programme-on-the-new-collective-quantified-goal-on-climate-6> and <https://unfccc.int/event/second-meeting-under-the-ad-hoc-work-programme-on-the-new-collective-quantified-goal-on-climate-3>.

that there should not be a reference to the Convention as the NCQG would fall under the scope of the Paris Agreement only. Some Parties were of the view that decisions relevant to the NCQG should be recalled or restated and others were in favour of recalling aspects of the process and welcoming various products.

19. On **context**, Parties discussed whether Article 9 of the Paris Agreement should provide the context for framing the NCQG, with varied interpretations on whether Article 9, paragraph 1, or Article 9, paragraph 3, of the Paris Agreement sets the scope, or whether to also consider the broader international financial architecture reforms and the context of Article 2, paragraph 1(c), of the Paris Agreement. Some Parties saw the context of the NCQG as being the urgent need for climate action, the needs and priorities of developing countries, including evolving needs and capacities, or the importance of acknowledging and rewarding enhanced climate ambition, while recognizing dis-enablers of climate action, guiding principles, the role of various actors in the climate finance landscape and lessons learned from the USD 100 billion goal. Others proposed setting the NCQG in the context of meaningful action and transparency of implementation, efforts of and incentives for all Parties to pursue climate action to achieve a climate-resilient future that meets the goal of 1.5 degrees, and efforts to scale up investments from all sources and climate action.

20. On **structure**, some Parties advocated for a multilayered NCQG underpinned by quantitative and qualitative features with sub-goals, composed of a variety of sources and providers of finance and for thematic areas, while others voiced a preference for a single-layered goal of public finance flows from developed to developing country Parties.

21. On **principles**, some Parties were in favour of restating guiding principles from the Convention and the Paris Agreement, while others argued against the inclusion of such principles.

22. On **time frames**, Parties recognized the interlinkages between time frames and the quantum of the NCQG and deliberated on a range of proposals, including whether the goal should have a 5-, 10- or 25-year time frame or a combination of time frames, whether it should have annual or cumulative targets and whether it should have a ramp-up period.

23. On **quantitative elements**, Parties expressed views on the goal's timeframe, sources, possible contributors and recipients, and burden-sharing arrangements pertaining to the NCQG, though some considered the latter three aspects to be outside of the scope of the NCQG deliberations. Some Parties also shared views on the quantum of the NCQG and how to determine it, with the following proposals made as to what the quantum should be:

- (a) From the floor of USD 100 billion annually;
- (b) USD 1.1 trillion annually;
- (c) At least USD 1 trillion annually;
- (d) USD 1.3 trillion annually;
- (e) USD 1.1–1.3 trillion annually;
- (f) USD 2.4 trillion annually by 2030, as identified in the report¹⁵ by the Independent High-Level Expert Group on Climate Finance, of which USD 1.4

¹⁵ Available at <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2023/11/A-Climate-Finance-Framework-IHLEG-Report-2-SUMMARY.pdf>.

trillion from domestic resources and USD 1 trillion from external finance (of which USD 150–200 billion from bilateral and innovative concessional finance, USD 500–600 billion from private sources and USD 250–300 billion from multilateral development banks and other development finance).

24. On **qualitative elements**, Parties discussed how the NCQG can contribute to enhancing the quality of climate finance, considering options such as formulating sub-goals for or guidance on achieving thematic balance, financial instruments, recipients, channels, and simplifying, harmonizing and enhancing access to climate finance.

25. On **transparency arrangements**, some Parties shared views on definition and accounting principles in relation to the NCQG. Most Parties recognized the need to use existing arrangements established under the Paris Agreement, notably the enhanced transparency framework and biennial communications on climate finance to be provided in accordance with Article 9, paragraph 5, of the Paris Agreement. In this context, some Parties also shared views on the frequency of reporting and the importance of aligning that frequency with existing reporting arrangements. Some Parties also identified a need to establish arrangements specifically related to the NCQG or modify existing ones, noting that such arrangements could only be determined once the NCQG is set and that such determination could be addressed by the Subsidiary Body for Scientific and Technological Advice starting in 2025. Additionally, Parties discussed opportunities and proposals for tracking progress towards achieving the NCQG, for example through the preparation by the Standing Committee on Finance of aggregate stand-alone reports or through inclusion of relevant information in its existing reports, and deliberated on the review and revision aspects of the NCQG, including whether there is a need for review and revision.

B. Way forward

26. Parties recognized the progress made throughout the second meeting but emphasized the difficulty in engaging substantively on a lengthy draft text. As such, Parties expressed their expectation for the co-chairs to prepare a more streamlined and balanced updated input paper with clearly defined options that capture the views of all Parties, taking into account the views expressed during the second meeting and written inputs to be made intersessionally. The updated input paper would be made available prior to the third meeting under the ad hoc work programme.