



15 October 2024

Information on progress made at the third 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. The Conference of the Parties (COP), at its twenty-first session, 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 for consideration at CMA 6 and requested the co-chairs of the ad hoc work programme to develop and make available, by no later than March 2024, a workplan for 2024 taking into account submissions from Parties.⁵
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

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>.

three meetings under the ad hoc work programme in 2024 to enable Parties to engage in developing the substantive framework for the 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 third meeting under the ad hoc work programme was held on 9, 10 and 12 September 2024 hosted by the Government of Azerbaijan at the Heydar Aliyev Centre in Baku, Azerbaijan.⁸

8. The objective of the third meeting was to seek views on the updated input paper⁹ prepared by the co-chairs ahead of the third meeting with the view to streamlining and narrowing options on each element of the NCQG and informing the substantive framework for a draft negotiation text to be prepared by the co-chairs ahead of CMA 6.

C. Preparatory activities

9. Ahead of the third meeting, the co-chairs of the ad hoc work programme, Zaheer Fakir and Fiona Gilbert, issued a message to the Parties and observer states inviting for:

(a) Written inputs ahead of the third meeting under the ad hoc work programme;

(b) Submission on the topics and sub-topics and format of the eleventh TED and the third meeting under the ad hoc work programme;

(c) Consultations with the groups of Parties.

10. Additionally, the co-chairs also issued a notification to non-Party stakeholders to submit their views on the eleventh TED and the third meeting under the ad hoc work programme.¹⁰

11. The written inputs submitted by Parties¹¹ and submissions received from non-Party stakeholders¹² are available on the UNFCCC website.

12. The co-chairs of the ad hoc work programme, also published an information note on progress made at the second meeting and the way forward and an updated input paper to support discussions at the third meeting. The updated input paper

⁶ Decision 8/CMA.5, paras. 9–10.

⁷ Decision 8/CMA.5, para. 12(d).

⁸ See <https://unfccc.int/event/eleventh-technical-expert-dialogue-and-third-meeting-under-the-ad-hoc-work-programme-on-the-new>.

⁹ Available at <https://unfccc.int/documents/640599>.

¹⁰ Available at <https://unfccc.int/documents/640010>.

¹¹ <https://unfccc.int/topics/climate-finance/workstreams/new-collective-quantified-goal-on-climate-finance/written-inputs-received-from-parties-to-inform-the-preparation-of-an-updated-input-paper-ahead-of>

¹² https://unfccc.int/topics/climate-finance/workstreams/NCQG/submissions-from-parties-and-non-party-stakeholders#_24-Submissions-by-Parties-and-non-Party-stakeholders

reflects the views expressed by Parties and written inputs by Parties with options provided to capture a range of views.¹³

D. Proceedings

13. The meeting was opened by the co-chairs of the ad hoc work programme, Zaheer Fakir and Fiona Gilbert and began with welcoming remarks by the Deputy Minister of Foreign Affairs of the Republic of Azerbaijan and COP 29 Chief Negotiator, Yalchin Rafiyev, followed by Omar Ahmed Al Braiki, representative of the COP 28 Presidency. The co-chairs then provided an overview of the work undertaken to date under the ad hoc work programme and reflected on the progress made, and the mandates, objectives and organization of the third meeting.

14. During the third meeting Parties engaged in the updated input paper and shared their views on each section on preamble, context, goal formulation and quality, identifying opportunities for streamlining, removing repetitions and bridging proposals.

15. Following Parties' interventions, the co-chairs invited the observers to deliver remarks on behalf of the children and youth, environmental, and trade union non-governmental organizations, Indigenous Peoples organizations and the women and gender constituency.

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

II. Progress and way forward

A. Progress

17. Building on the outcomes of the second meeting, during the third meeting Parties engaged constructively on the basis of the updated input paper.

18. There was a common understanding on formulating the **preamble** in a concise but comprehensive manner, reiterating Articles 2 and 9 of the Paris Agreement in their entirety and recalling decisions relevant to the NCQG as well as the principles of common but differentiated responsibilities and respective capabilities in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty. Some Parties reiterated the view that the decision setting the NCQG should recall relevant provisions of the Convention and the Paris Agreement, while others found that there should not be references to the Convention as the NCQG would fall within the scope of the Paris Agreement only.

19. Some Parties suggested a more concise and focused approach to framing the **context** section. Parties agreed that the context would set the scene in which the NCQG is set, including the objectives of the NCQG as outlined in paragraph 15 of decision [9/CMA.3](#), and highlighting challenges and opportunities that the NCQG will respond to such as, noting the latest scientific findings, particularly from the

¹³ Available at <https://unfccc.int/documents/640599>

¹⁴ <https://unfccc.int/event/eleventh-technical-expert-dialogue-and-third-meeting-under-the-ad-hoc-work-programme-on-the-new>.

Intergovernmental Panel on Climate Change, underscoring the urgency of climate action in the short and long term; reflecting the needs and priorities of developing country Parties, particularly the LDCs and SIDS; citing findings from the second report by the SCF on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement, and noting that such needs are dynamically evolving, building on lessons learned from the USD 100 billion goal; recognizing the challenges of debt sustainability, high cost of capital, high transaction costs, limited fiscal space and unilateral trade measures; and emphasizing the need for the provision of support for mitigation, adaptation and addressing loss and damage in a balanced manner, while recognizing the importance of financing just transitions.

20. Regarding **goal formulation**, Parties welcomed the presentation of packages of options in tabular format, emphasizing that this would help in identifying similarities and interlinkages with a view to bridging proposals on various aspects of and options for elements of the NCQG, covering, inter alia, structure, time frame(s), quantum(s) and qualitative elements:

(a) On the **structure** of the NCQG, many Parties agreed on a support goal for developing countries, including in the form of both provision and mobilization of climate finance, either as a combined single quantum or as two separate quanta. Some Parties viewed the NCQG as comprising layers, with an outer layer of total international finance flows to developing countries or of global investment flows for climate action, and the goal for mobilization and provision of climate finance as the core. Some Parties argued for the inclusion of sub-goals or subtargets in quantitative amounts or shares in percentages of the goal by thematic area (e.g. adaptation, loss and damage) and/or by channel (e.g. the operating entities of the Financial Mechanism), while others referred to the need for balance in the financial support provided for adaptation, mitigation and addressing loss and damage in addition to recognition that finance for capacity-building and technology transfer, readiness and transparency support are also key elements. Additionally, some Parties favoured qualitative elements in the form of policy layers or calls for action to Parties and non-Party stakeholders to simplify and enhance access to climate finance and address other challenges faced by developing countries such as debt distress and limited fiscal space, while others raised concerns about policy levers such as illicit financial flows and tax evasion tied to the quantum;

(b) Recognizing the interlinkages between structure and quantum, Parties discussed options for the **quantum** of the NCQG, reiterating options such as an annual goal of USD 1, USD 1.1, USD 1.3 or USD 2 trillion, or setting the goal from a floor of USD 100 billion per year. Other Parties argued that, since the quantum is dependent on the goal's structure, time frame(s), sources of finance and contributors, gaining further clarity on these aspects first would help to determine the quantum. Some Parties called for a grant-equivalent quantitative target in order to respond to the need for more grant-based and highly concessional finance;

(c) On **time frame(s)**, Parties discussed a range of options for reflecting time frame(s), recognizing the time frames for existing UNFCCC processes such as the NDC, BTR and GST cycles. Some Parties viewed the NCQG to be an annual goal to be achieved over a 5- or 10-year period, while others expressed preference for an annual goal to be achieved by a target year in 5 or 10 years. A combination of options such as a 'ramp up' to a target year accompanied by the delivery of an annual goal over a time period, or a combination of a short-term goal over five years and long-term aspirational objectives to align with carbon neutrality by 2050 were discussed, with another option being a cumulative goal rather than an annual goal;

(d) Other elements discussed in the context of the goal formulation related to **sources of finance**, including whether or not the NCQG should define the contributors to the goal as developed country Parties or other Parties providing financial support, which could be determined through introducing dynamic criteria such as on the basis of gross national income per capita or historical emissions, or by identifying lists of Parties or existing contributors as well as burden-sharing arrangements, recognizing that some Parties consider some of these aspects to be beyond the scope of the NCQG deliberations;

(e) There was a common understanding of the need for the NCQG to address **qualitative** elements with a view to improving the quality and accessibility of climate finance, particularly for those that have experienced challenges in accessing climate finance through multilateral and bilateral channels, including through calls for action to Parties and non-Party stakeholders to take action to harmonize application procedures, enhance direct access modalities and/or avoid placing co-financing requirements or other conditionalities on developing countries that are applying for projects. Parties discussed options for reducing barriers to and enhancing the quality of climate finance, including by scaling up the provision of grant-based and highly concessional finance across all channels, calling on shareholders of MDBs and international finance institutions to continue to reform MDB practices and priorities, and creating fiscal space for developing countries, for example by introducing climate-resilient debt clauses, and scaling up use of debt forgiveness, local currency lending, blended financial schemes and debt for climate swaps, while recognizing the need to enhance enabling environments. Divergent views remained on the operationalization of the qualitative elements of the NCQG, in terms of setting specific targets for implementing them and establishing indicators for tracking progress towards achieving them, such as time from approval to disbursement, transactional costs for accessing climate finance, geographical distribution and distribution of instruments, with proponents of such targets and indicators noting that without firm commitments and timelines the qualitative elements might remain symbolic.

21. On **transparency arrangements**, some Parties underscored the need to clarify at the outset what would and would not count as climate finance under the NCQG with clearly defined accounting methodologies. Some Parties called for exclusion of domestic and private sources of finance in the form of market-rate loans and export credits, thereby aligning with the broader principle that finance should be accessible and equitable. In terms of data collection, Parties emphasized the importance of building on the existing arrangements in place, such as the ETF, while acknowledging the need for additional arrangements that reflect the specificities of the NCQG, either through Party deliberations or by requesting the SBSTA to develop guidance on tracking progress towards achieving the NCQG. Many Parties acknowledged that collective progress could be reported by the SCF if it were requested to prepare periodic aggregate progress reports, either as stand-alone reports or in the context of its biennial assessment and overview of climate finance flows. A range of views remained on the extent to which biennial communications on climate finance projections submitted in accordance with Article 9, paragraph 5, of the Paris Agreement and reports prepared by non-UNFCCC actors should be considered in tracking progress towards the NCQG.

22. On **review and/or revision**, most Parties agreed on provisions for Party-driven periodic reviews to improve implementation of the NCQG, either in the context of an SCF biennial progress report or as part of the GST. Divergent views remained on the revision of the NCQG, including whether a revision would take

place during the NCQG time frame or after, and on its scope, namely if all elements of the NCQG would be reviewed and revised or only its quantum.

B. Way forward

23. Parties recognized the progress made throughout the third meeting and continued to raise concerns about the substantially lengthy text. Having concluded the three mandated technical expert dialogues back-to-back with the meetings under the ad hoc work programme, the co-chairs of the ad hoc work programme will prepare their 2024 annual report for consideration by CMA 6 and its addendum which will comprise the substantive framework for a draft negotiating text capturing progress made. Additionally, the co-chairs will also produce information on progress made at the third meeting under the ad hoc work programme as well as a summary of the deliberations at TED 11.