

Final outcome of the Ad Hoc Work Programme

The Arab Group would like to request the co-chairs of the ad hoc work programme to summarize the convergence points of different submissions in the form of packages as part of the outcome of the ad hoc work programme, to best serve further discussions on the NCQG. The package document could be annexed to the substantive framework or be considered as the substantive framework. These packages should reflect convergence among several Parties or a group of Parties as follows:

Example Package:

Package 1	
Preamble, context, principles	<ul style="list-style-type: none"> • • •
Structure, quantum, timeframe	<ul style="list-style-type: none"> • • •
Qualitative elements	<ul style="list-style-type: none"> • • •
Transparency arrangements	<ul style="list-style-type: none"> • • •
Other issues	<ul style="list-style-type: none"> • • •

Arab Group Package:

Arab Group Package	
Preamble, context, principles	<ul style="list-style-type: none"> Recalling provisions and decisions of both the Convention and its Paris Agreement (Convention: Articles 4, 11, 4.7 and 3.5, decisions 2/CP.15 and decision 1/CP.21 paragraph 53) (Paris Agreement: Articles 9 and 4.5, decisions 14/CMA.1, 9/CMA.3, 5/CMA.4 and 8/CMA.5) Highlighting the quantitative needs of developing countries across different thematic areas (adaptation, mitigation, loss and damage, transparency, technology transfer and capacity building) and national plans. Reaffirming developed countries' obligations and the dependence of climate action in developing countries on reliable and sufficient support from developed countries. Restating that the NCQG is the extension of the USD 100 billion goal, highlighting the failure of delivery of USD 100 billion commitment. Principles of equity, CBDR, historical responsibility, right to development, and evolving needs and priorities of developing countries, just transitions.
Structure, quantum, timeframe	<ul style="list-style-type: none"> Combined structure, quantum and timeframe: Developed country Parties shall mobilize USD 1.1 trillion per year to developing country Parties from 2025 through to 2029 by providing a minimum of USD 441 billion per year;
Qualitative elements	<ul style="list-style-type: none"> Support shall not include non-concessional loans, loans at market rates that are set better terms for elements other than interest rates, export credits, investments and any other instruments that will result in a net-economic negative outcome for recipients; Scope: Mitigation, adaptation, loss and damage, technology, transparency and capacity building and access shall be simplified and streamlined across all relevant channels of delivery for all the thematic areas reflected in this paragraph. Legally binding commitment to be delivered to largest extent possible in grant equivalent terms. Provision element shall be fully grants. Balanced between mitigation and adaptation, significant support for loss and damage. Full and incremental costs of transparency. Addressing adverse impacts of unilateral measures and reform of budgetary processes for developed countries.
Transparency arrangements	<ul style="list-style-type: none"> Article 9.5 for forward-looking information Enhanced transparency framework Individual report on adverse impacts of unilateral measures Call to data aggregators and reporters to issue independent progress reports. Request to SCF to develop biennial progress reports based on reporting from developed countries and other independent progress reports.
Other issues	<ul style="list-style-type: none"> Review process to update the quantum and burden-sharing Arrears of the USD 100 billion commitment Streamlined access across all channels

Arab Group Draft Decision Text NCQG

[PREAMBLE]

Recalling Articles 4 and 11 of the Convention and Article 9 of its Paris Agreement,

Further recalling Article 4, paragraph 7, and Article 3, paragraph 5, of the Convention,

Also recalls Article 4, paragraph 5, of the Paris Agreement

Recalling decision 2/CP.15

Recalling decision 1/CP.21 paragraphs 1 and 53,

Recalling decisions 14/CMA.1, 9/CMA.3, 5/CMA.4 and 8/CMA.5

[CONTEXT]

1. *Highlights* the growing gap between the needs of developing country Parties, in particular those due to the increasing impacts of climate change compounded by difficult macroeconomic circumstances, and the support provided and mobilized for their efforts to implement their nationally determined contributions, highlighting that such needs are currently estimated at USD 5.8–5.9 trillion for the pre-2030 period;
2. Also highlights that the adaptation finance needs of developing countries are estimated at USD 215–387 billion annually up until 2030;
3. *Recalls* 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 and that other Parties are encouraged to provide or continue to provide such support voluntarily;
4. Also recalls that, as part of a global effort, developed country Parties should continue to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties, and that such mobilization of climate finance should represent a progression beyond previous efforts;
5. Reiterates that support shall be provided to developing country Parties for the implementation of Article 4 of the Paris Agreement, in accordance with Articles 9–11 of the Paris Agreement, recognizing that enhanced support for developing country Parties will allow for higher ambition in their actions;
6. *Further recognizes* that the USD 100 billion commitment of developed country Parties expires in 2025 and the mandate of the New Collective Quantified Goal is to set a replacement goal in line with decision 1/CP.21 paragraph 53;
7. *Recognizes* that developing country Parties have increased ambition despite a gap in the provision and mobilization of finance from developed country Parties and reverse flows due to a suite of disabling policies and conditions, such as fiscal challenges, barriers to access and unilateral trade measures, recalling Article 3 of the Convention, Article 4, paragraph 15, of the Paris Agreement in this regard;

8. Notes with deep regret that the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020 in the context of meaningful mitigation actions and transparency on implementation was not met in 2021;
9. Notes the different estimates, in the report by the Standing Committee on Finance on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation, of progress towards achieving the goal of mobilizing jointly USD 100 billion per year from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources, and recognizes the lack of a common definition and accounting methodology in this regard;

[PRINCIPLES]

10. *Decides* that, in accordance with Article 2 of the Paris Agreement, the New Collective Quantified Goal must be delivered in a manner that reflects:
 - a. The principles of equity and common but differentiated responsibilities and respective capabilities in the light of different national circumstances;
 - b. The evolving needs and priorities of developing country Parties, in particular loss and damage;
 - c. The historical responsibility of Annex II Parties to the United Nations Framework Convention on Climate Change;
 - d. The right to development, sustainable development, poverty eradication, and just transitions

[SUBSTANCE]

11. *Decides* that the New Collective Quantified Goal will consist of a provision element and a mobilization element as follows:
 - a. Developed country Parties shall mobilize USD 1.1 trillion per year to developing country Parties from 2025 through to 2029 by providing a minimum of USD 441 billion per year;
 - b. *Decides* that developed country Parties shall institute burden-sharing arrangements in the delivery of the legally binding commitment outlined in paragraph 11(a) above;
12. *Decides* that the following qualitative requirements shall be fulfilled for flows to count towards the delivery of the New Collective Quantified Goal:
 - a. Support shall not include non-concessional loans, loans at market rates that are set better terms for elements other than interest rates, export credits, investments and any other instruments that will result in a net-economic negative outcome for recipients. This support shall be additional to ODA and other official flows;
13. *Reaffirms* the Enhanced Transparency Framework and Article 9 paragraphs 5 and 7 of the Paris Agreement and recognizes that they will serve as the transparency arrangements;
14. *Recalls* that only the Modalities, Procedures, and Guidelines of the Enhanced Transparency Framework will be reviewed in 2028 and that developed country Parties shall provide information on finance provided and mobilized biennially within their Biennial Transparency Reports;

15. *Decides* that developed country Parties shall provide information on finance provided and mobilized in the first half of 2028 as they aim to submit their full Biennial Transparency Report by the end of the year in 2028;
16. *Requests* the Standing Committee on Finance to develop a progress report on the delivery of the New Collective Quantified Goal in 2029 taking into account information provided by developed country Parties in their Biennial Transparency Reports submitted in 2028 and other relevant aggregation reports developed;
17. *Invites* external data aggregators, in developing their progress reports, to engage an independent third party to review and assess their reports and to include such reviews in the annex of their progress reports;
18. *Further invites* data aggregators to issue progress reports on the delivery of the New Collective Quantified Goal in accordance with the conditions set out in paragraphs 11 and 12 of this decision;
19. *Decides* that developed country Parties shall assess the negative impacts of their unilateral trade measures and take concrete actions on mitigating these impacts;
20. *Requests* developed country Parties to submit reports detailing their compliance with paragraph 19 of this decision biennially starting 2026;
21. *Decides* to review and extend the New Collective Quantified Goal during the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement in 2029, taking into account information details in paragraphs 11-12 and 13-20, focusing on the following elements:
 - a. Updating the Quantum;
 - b. Updating burden-sharing arrangements outlined in paragraph 11 of this decision;
22. *Decides* that the delivery of the New Collective Quantified Goal shall reflect the following qualitative elements for a more balanced, comprehensive and accessible climate finance approach for developing countries:
 - a. The scope of the goal shall be mitigation, adaptation, loss and damage, technology transfer, capacity building and support for the implementation of transparency requirements under the Convention and its Paris Agreement and access shall be simplified and streamlined across all relevant channels of delivery for all the thematic areas reflected in this paragraph to enable developing countries to efficiently receive support;
 - b. A complete balance between mitigation and adaptation shall be reflected in the delivery of the goal;
 - c. The support for readiness and transparency shall cover the full and incremental cost for developing country Parties;
 - d. The delivery of the goal shall be to the largest extent possible through grant-based and/or grant equivalent terms, with the provision element consisting only of grants as a priority to minimize the financial burden on developing countries;
 - e. The delivery of the goal shall enable developing country Parties to equitably participate in the development, deployment and dissemination of technologies and enable technology transfer from developed countries to developing countries in line with the scope detailed in paragraph 22(a);

23. *Requests* developed country Parties, based on lesson learned from the delivery of the USD 100 billion, to urgently reform their budgetary practices to reflect the following enhancements to enable the delivery of the New Collective Quantified Goal:
 - a. Moving from annual budgets to multiyear budgets and long-term programming of climate finance
 - b. Streamlining approval process for climate change support budget
 - c. Prioritizing climate change support as a separate budget category with special procedures
24. *Further requests* developed country Parties to ensure streamlined access features across all channels of support;
25. *Further requests* developed country Parties to report on the implementation of paragraphs 23 and 24 in their next Biennial Communications under Article 9, paragraph 5 and reflect the following information:
 - a. A plan to initiate the reform, including timelines, approaches, challenges and opportunities;
 - b. A deadline for the conclusion of the reform;
 - c. Guidebook on access modalities across all relevant channels

[USD 100 BILLION ARREARS]

26. *Confirms* that the USD 100 billion commitment of developed country Parties is meant to be delivered on an annual basis from 2020 through to 2025 and *acknowledges* that there is consensus that the goal has not been met in 2020 and 2021;
27. *Recognizes* that estimations on the delivery of the goal in 2022 differ due to different accounting methodologies and definitions and *acknowledges* the need for consistency and comparability of the data provided by developed country Parties;
28. *Requests* the secretariat to review data from Biennial Reports and other relevant reports within the UNFCCC, with a view to providing independent assessments of the delivery of the USD 100 billion from 2020-2022 and issue a finding report by CMA.7, taking into account the following requirements:
 - a. The aggregation of flows shall only account for grant or grant-equivalent elements of support, non-concessional loans even on more preferential terms cannot count towards progress;
 - b. The activities shall align with activities identified in national plans, strategies and policies of developing country Parties to prioritize country-ownership and recognize developing countries' role in determining their own priorities;
29. *Decides* that developed country Parties shall mobilize the arrears of the USD 100 billion as identified in 2028 in the report referenced in paragraph 28 of this decision by no later than 31, December 2030.