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Item 10(e) of the provisional agenda

Matters relating to finance

New collective quantified goal on climate finance

**Ad hoc work programme on the new collective quantified
goal on climate finance**

Report by the co-chairs

Summary

This report contains information on the work conducted by the co-chairs of the ad hoc work programme on the new collective quantified goal on climate finance in 2023, including the technical expert dialogues. It presents a summary of and key findings from the technical expert dialogues, including options identified for the new collective quantified goal on climate finance.

Abbreviations and acronyms

CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CMP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
COP	Conference of the Parties
ETF	enhanced transparency framework under the Paris Agreement
GDP	gross domestic product
GHG	greenhouse gas
GNI	gross national income
GST	global stocktake
HLMD	high-level ministerial dialogue
NCQG	new collective quantified goal on climate finance
NDC	nationally determined contribution
SB	sessions of the subsidiary bodies
SCF	Standing Committee on Finance

I. Introduction

A. Mandate

56. COP 21 decided that, in accordance with Article 9, paragraph 3, of the Paris Agreement, the CMA shall set an NCQG from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries, prior to 2025.¹

57. CMA 1 decided to initiate at CMA 3, in accordance with Article 9, paragraph 3, of the Paris Agreement, deliberations on setting the NCQG 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 GHG emissions and climate-resilient development.²

58. CMA 3 established an ad hoc work programme on the NCQG for 2022–2024, to be facilitated by co-chairs, one from a developed country and one from a developing country. It decided to conduct four technical expert dialogues per year as part of the ad hoc work programme, with one to be held in conjunction with the first regular session of the subsidiary bodies and one to be held in conjunction with the session of the CMA, and the two remaining dialogues to be organized in separate regions with a view to facilitating inclusive and balanced geographical participation.³ Furthermore, CMA 3 requested the co-chairs of the ad hoc work programme to prepare an annual report on the work conducted thereunder, including a summary of and key findings from the technical expert dialogues, for consideration by the CMA.⁴

59. CMA 4 noted with appreciation the work undertaken under and the work of the co-chairs of the ad hoc work programme in 2022.⁵ It requested the co-chairs, with a view to significantly advancing substantive progress in 2023, to develop and publish by March 2023 a workplan for 2023,⁶ including themes for the technical expert dialogues to be held in 2023, taking into account the submissions from Parties⁷ and consultations with interested Parties on the issues to be addressed as part of the workplan; and to provide information on the discussions held, including submissions received from Parties and non-Party stakeholders,⁸ and present information on the way forward, including possible options, following each technical expert dialogue and in their annual report on the ad hoc work programme with a view to achieving the objective of setting the NCQG and informing the deliberations thereon at CMA 5 and at the HLMD on the NCQG in 2023.⁹

60. Furthermore, CMA 4 requested the co-chairs to include in their annual report options for accelerating the achievement of the goal in Article 2 of the Paris Agreement of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature to 1.5 °C above pre-industrial levels.¹⁰

¹ Decision 1/CP.21, para. 53.

² Decision 14/CMA.1, para. 1.

³ Decision 9/CMA.3, paras. 3 and 5.

⁴ Decision 9/CMA.3, para. 9.

⁵ Decision 5/CMA.4, para. 2.

⁶ Available at <https://unfccc.int/documents/627534>.

⁷ Received in response to decision 5/CMA.4, para. 12.

⁸ Available at <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx> (search for “FCCC/PA/CMA/2022/L.19, para. 11 b”).

⁹ Decision 5/CMA.4, para. 11(a) and (f).

¹⁰ Decision 1/CMA.4, para. 64.

B. Scope of the report

61. This report presents the work conducted under the ad hoc work programme on the NCQG in 2023, including the three technical expert dialogues held so far during the year. It also presents a summary of and key findings from the dialogues, including possible options on the various elements of the NCQG.

62. Furthermore, it captures key issues from the discussions that will require further political consideration. The report will inform the deliberations at the HLMD on the NCQG to be held on 3 December 2023 in Dubai, United Arab Emirates.

63. The outcomes of the eighth technical expert dialogue, to be held in conjunction with CMA 5, will be covered in an addendum to this report.

C. Possible action by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

64. The CMA may wish to consider this report, particularly the possible options on the various elements pertaining to the NCQG that build on the discussions at the technical level and capture substantive progress under the ad hoc work programme in 2023 and provide further guidance on the ad hoc work programme.

II. Work conducted under the ad hoc work programme on the new collective quantified goal on climate finance in 2023

A. Organization of work

65. CMA 3 invited the President of CMA 4 to appoint the co-chairs of the ad hoc work programme for 2023.¹¹ After consulting with Parties, Sameh Shoukry, President of COP 27, CMP 17 and CMA 4, appointed Zaheer Fakir and Fiona Gilbert as co-chairs of the ad hoc work programme for 2023.¹² Following their appointment, the co-chairs shared their aim to ensure that the ad hoc work programme in 2023 leads to a more substantive outcome at CMA 5 by organizing the technical expert dialogues in a manner that facilitates a shift in the discussions from scoping the elements of the NCQG to identifying clear options for each of the goal's elements with a view to presenting at CMA 5 recommendations with options for the various aspects of the goal, including its elements, that could be further refined in 2024.¹³

66. In accordance with decision 5/CMA.4, the co-chairs undertook preparatory and outreach activities with a view to ensuring open, inclusive, transparent and participatory technical expert dialogues, such as issuing relevant notifications to Parties and stakeholders ahead of each dialogue. With the support of the secretariat, the co-chairs developed a workplan for 2023, which was published in March, setting out the themes for the technical expert dialogues to be held in 2023, taking into account submissions from Parties and consultations with Parties and group of Parties.

67. Financial support for conducting activities under the ad hoc work programme in 2023 was provided by the Governments of Austria, Italy, Norway and Switzerland.

B. Proceedings of the technical expert dialogues

68. Following consultations with and submissions¹⁴ received from Parties and stakeholders, and guided by the President of CMA 4, the co-chairs of the ad hoc work

¹¹ As per decision 9/CMA.3, para. 3.

¹² See <https://unfccc.int/documents/624722>.

¹³ See <https://unfccc.int/documents/624858>.

¹⁴ Available at <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx> (search for "FCCC/PA/CMA/2022/L.19, para. 11 b")

programme, with the support of the secretariat, developed programmes for each technical expert dialogue and identified and invited a gender-balanced group of resource persons to participate in the dialogues. All technical expert dialogues were open to observers, conducted in hybrid format and webcast to facilitate participation of all interested Parties and non-Party stakeholders. Representatives of government, multilateral development banks, non-governmental organizations, academia, civil society, including youth, and the private sector contributed positively to the discussions at the dialogues.

69. In addition to developing programmes, the co-chairs, with the support of the secretariat, prepared background documents, including compilations and syntheses of the submissions received, as inputs to each of the technical expert dialogues and session briefs to help participants to prepare for and to guide the discussions at the dialogues. Following each dialogue conducted thus far, the co-chairs prepared a summary note under their own responsibility. The summary notes present a non-exhaustive set of views capturing the substantive and rich discussions held at the technical expert dialogues, including the various options identified under the respective topics, noting that these options are not mutually exclusive. Each summary note aimed to provide structure for the discussions at the subsequent dialogue, ensuring that the dialogues build on one another and that all topics are covered during the year as identified in the co-chairs' workplan for 2023.

70. During each dialogue, scene-setting presentations were held at the start of each day with the aim of steering the discussions and informing the task at hand. To facilitate interactive and outcome-oriented discussions, participants were divided into working groups and tasked with identifying and developing the relevant options, including providing a rationale for and the challenges and opportunities associated with each option. The outcomes of the discussions were reported to the plenary, which was followed by an open discussion among all participants. The dialogues also included a session for identifying areas for technical consideration and areas that require political guidance at the 2023 HLMD on the NCQG and at CMA 5.

1. Fifth technical expert dialogue

71. The fifth technical expert dialogue¹⁵ took place from 8 to 10 March 2023 in Vienna, hosted by the Government of Austria through its Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, with 71 in-person and 136 virtual participants. The dialogue focused on the temporal scope and structure of the NCQG with the aim of facilitating the identification of options related to the temporal scope and time frame of the goal and how the goal may be structured with quantitative and qualitative elements.

72. Prior to the dialogue, the co-chairs issued a message¹⁶ addressed to Parties and non-Party stakeholders inviting them to submit their views on the organization of the dialogue, including topics and subtopics, and format, on the basis of guiding questions. The co-chairs also undertook informal consultations with interested Parties and groups of Parties upon their request to gather views on the organization of the dialogue. On the basis of those consultations and the submissions received, the secretariat prepared a provisional programme for the dialogue, under the guidance of the co-chairs, which was shared with participants ahead of the dialogue

2. Sixth technical expert dialogue

73. The sixth technical expert dialogue¹⁷ was convened from 12 to 13 June 2023 in Bonn in conjunction with SB 58. Around 144 in-person and 68 virtual participants took part in the discussions. The aim of the dialogue was to discuss and identify options for ways to determine the quantum of the NCQG, in the context of its aim of contributing to accelerating

¹⁵ The programme, presentations, webcasts and summary note are available at <https://unfccc.int/node/625813>.

¹⁶ Available at <https://unfccc.int/documents/624858>.

¹⁷ The programme, presentations, webcasts and summary note are available at <https://unfccc.int/event/sixth-technical-expert-dialogue>.

the achievement of Article 2 of the Paris Agreement, and for the mobilization and provision of financial sources.

74. Prior to the dialogue, the co-chairs issued a message¹⁸ inviting Parties and non-Party stakeholders to provide inputs on the organization of the dialogue, including topics and subtopics, and format, on the basis of guiding questions. The secretariat prepared a compilation and synthesis¹⁹ of the rich views and ideas presented.

3. Seventh technical expert dialogue

75. The seventh technical expert dialogue²⁰ took place from 30 September to 2 October 2023 in Geneva, with around 128 in-person and 45 virtual participants contributing to the discussions. The dialogue was hosted by the Government of Switzerland, represented by its Federal Office for the Environment. The aim of the dialogue was to discuss the quality and transparency arrangements related to the NCQG.

76. Prior to the dialogue, the co-chairs issued a message²¹ inviting Parties and non-Party stakeholders to provide inputs on the organization of the dialogue, including topics and subtopics, and format, on the basis of guiding questions. The secretariat prepared a compilation and synthesis²² of the inputs received.

C. Outreach activities

77. **Bilateral meetings:** The co-chairs convened a series of bilateral meetings with Parties and groups of Parties upon request prior to each dialogue. The aim of the bilateral meetings was to seek Parties' views in relation to the organization of each dialogue, including topics, subtopics and format, and the outcomes of the preceding dialogue.

78. **Informal consultations:** The co-chairs conducted informal consultations with non-Party stakeholders on 14 June 2023 in conjunction with SB 58 with a view to ensuring transparency, inclusivity and openness in conducting work under the ad hoc work programme.²³ The aim of the informal consultations was to facilitate the exchange of views on the implementation of the ad hoc work programme, including on enhancing stakeholder engagement thereunder. During the consultations, the co-chairs provided an update on ongoing and planned activities under the ad hoc work programme.

79. **Engagement with the private sector:** During previous dialogues and consultations with Parties, the importance of the role of the private sector in the process of setting the NCQG and mobilizing climate finance was highlighted. During the sixth technical expert dialogue, the co-chairs and participants took part in the third public-private sector climate finance policy dialogue,²⁴ with discussions focusing, inter alia, on the importance of understanding the capital market system in the context of climate change and the NCQG process and finance flows into developing countries, as well as the role of policy and regulation in scaling up climate finance and its overlap with other types of sustainable finance.

III. Summary of and key findings from the technical expert dialogues

80. In accordance with the mandate outlined in decision 5/CMA.4, the co-chairs of the ad hoc work programme aimed to organize the technical expert dialogues in 2023 in a manner

¹⁸ Available at <https://unfccc.int/documents/627735>.

¹⁹ Available at https://unfccc.int/sites/default/files/resource/TED6_Compilation_Synthesis_final.pdf.

²⁰ The programme, presentations, webcasts and summary note are available at <https://unfccc.int/event/SeventhTechnicalExpertDialogue>.

²¹ Available at <https://unfccc.int/documents/630363>.

²² Available at <https://unfccc.int/documents/631823>.

²³ See <https://unfccc.int/event/informal-consultation-with-non-party-stakeholders-on-the-new-collective-quantified-goal-on-climate>.

²⁴ See <https://unfccc.int/event/third-public-private-climate-finance-policy-dialogue>.

that facilitates identification and discussion of options for each element pertaining to the NCQG with a view to presenting information on the way forward, including possible options, following each dialogue for consideration at CMA 5 and further consideration in 2024.

A. Overview of options identified during the technical expert dialogues

81. The following options and the rationale thereunder, as well as associated challenges and opportunities, captured from the substantive and rich discussions held during the technical expert dialogues, are not exhaustive or mutually exclusive and are presented in no particular order, with some participants supporting multiple options.

1. Fifth technical expert dialogue

82. At the fifth technical expert dialogue, participants discussed general considerations and identified options, including the challenges and opportunities associated with each option, for the temporal scope and structure of the NCQG.²⁵

(a) Options for the temporal scope of the new collective quantified goal on climate finance

83. In discussing options for the time frame for the NCQG, participants noted the linkages between options pertaining to tracking progress in achieving the goal and revising or updating it to ensure it aligns with the evolving needs of developing countries and changing global circumstances.

84. Options for time frame were identified, spanning short, medium and long term (see annex I or a non-exhaustive list of options):

(a) **Option 1: Short-term time frame (five years, e.g. 2025–2029)**, which participants noted would align with the time frame for NDCs and may make climate action more predictable for developing countries and encourage ambitious commitments. This option would also address challenges associated with the determination of long-term needs, which may change owing, for example, to evolving technology costs. On the other hand, this option presents challenges related to the time lag of data available from biennial transparency reports under the ETF of the Paris Agreement, because these would provide data on finance flows from three or four years earlier;

(b) **Option 2: Medium-term time frame (10 years, e.g. 2025–2034)**, with various options for review and revision of the goal. The medium-term time frame would be informed by scientific findings, including from the Intergovernmental Panel on Climate Change, with regard to reaching milestones such as peaking GHG emissions by 2030 or the urgency of taking drastic measures within a certain period of time. This option would also allow sufficient time to mobilize public and private finance and build political support, and allow for ample time at the domestic level to generate the necessary political will to achieve the goal. Challenges around the time lag of data outlined for five-year cycles would also apply to the medium-term time frame;

(c) **Option 3: Long-term time frame (up to 2050)**, which would align with the time frame for achieving the goals of the Paris Agreement as stipulated in its Article 2, particularly with regard to limiting global warming to 1.5 °C and achieving net zero targets. As such, this option would highlight the long-term structural changes required in the financial system. It could be accompanied by 10-year milestones and periodic review cycles. Challenges pertain to aligning national election cycles with medium- and long-term finance goals, resulting in the risk that newly elected governments may choose to withdraw from obligations to mobilize financial resources as part of the NCQG owing to different national priorities;

(d) **Option 4: Combination of time frames**, such as a 10-year operational time frame of 2025–2034 or 2026–2035 with an aspirational target to align with net zero targets by 2050;

²⁵ The discussions were summarized by the co-chairs in an informal note, available at <https://unfccc.int/documents/627560>.

(e) **Option 5: No reference to time frame.**

(b) **Options for the structure of the goal**

85. Participants discussed various aspects in relation to options for structuring the NCQG, including which approach to take (top-down, i.e. defining the goal first, or bottom-up, i.e. being informed by developing countries' needs), general considerations and associated challenges and opportunities.

86. The options identified by participants for the structure of the goal can be framed within the following eight clusters (see annex II for a non-exhaustive list of sub-options):

(a) **Option 1:** A quantitative goal with time frames and underlying principles for providing financial support to developing countries. The options vary in terms of the amount of finance to be mobilized, the sources of funding and the specific time frames. Some options also include qualitative elements, such as prioritizing support for vulnerable countries or basing funding on past emissions;

(b) **Option 2:** A combination of quantitative goals and principles to guide implementation of the NCQG. While some options focus on the provision of finance from developed to developing countries, others focus on mobilizing finance from a variety of sources, on the need for balance between finance for mitigation and adaptation, and on building capacity for effectively implementing climate action;

(c) **Option 3:** Quantitative goals framed in terms of absolute United States dollars or as a share of GDP or GNI. Some options place emphasis on finance provision from developed to developing countries, while others consider mobilizing finance from a variety of sources. All options under this cluster refer to achieving the goals set out in the Paris Agreement and/or long-term climate goals;

(d) **Option 4:** Primarily quantitative goals with time frames and sub-goals that include quantitative and/or qualitative elements pertaining to thematic areas and sources of finance. Most identified options refer to a goal with annual targets;

(e) **Option 5:** A goal that is framed as either a quantitative or a qualitative goal with sub-goals in thematic areas such as adaptation, mitigation, and loss and damage. Some options also identify a range of sources and instruments and/or make reference to achieving long-term goals, and considerations such as the needs and priorities of developing countries and recipients or region;

(f) **Option 6:** Sub-goals framed as quantitative and/or qualitative sub-goals pertaining to thematic areas, recipients, channels, sectors, increasing climate resilience, reducing GHG emissions, enhancing capacity to access financial resources, reducing fossil fuel subsidies and making financial flows consistent with a pathway towards low GHG emissions and climate-resilient development;

(g) **Option 7:** An aspirational goal or a goal of making financial flows consistent with a pathway towards low GHG emissions and climate-resilient development;

(h) **Option 8:** An outcome-oriented goal aligned with achieving the goals of the Paris Agreement, most notably as stipulated in its Article 2, and/or long-term goals of limiting global temperature increase to 1.5 °C and achieving net zero targets.

2. Sixth technical expert dialogue

87. At the sixth technical expert dialogue, participants discussed potential options for determining the quantum of the new goal in the context of its aim of contributing to accelerating the achievement of Article 2 of the Paris Agreement, and options for framing the mobilization and provision of financial sources (see annex III for a non-exhaustive list of options).²⁶

²⁶ See the summary note prepared by the co-chairs for a more detailed overview of the dialogue discussions, including identified options and general considerations, available at <https://unfccc.int/documents/630493>.

(a) **Options for ways to determine the quantum of the new collective quantified goal on climate finance in the context of its aim of contributing to accelerating the achievement of Article 2 of the Paris Agreement**

88. The options identified for determining the quantum of the NCQG focused on the approach to its determination and the possible structure of the quantum.

(i) *Options for ways to approach determining the quantum of the new collective quantified goal on climate finance*

34. The following seven options were identified by participants for determining the quantum of the NCQG:

(a) **Option 1: Setting a quantum based on information on the needs and priorities of developing countries, thereby following a bottom-up approach**, which would involve making a bottom-up cost estimate of the needs and priorities of developing countries, as identified in their national reports to the UNFCCC (e.g. NDCs and national adaptation plans). Concerns identified for this option include limited information on the methodologies for costing needs and priorities, albeit the availability of such information would improve over time as developing countries continued to periodically update their national reports, and the need for a wider range of sources to cover the estimated costs of needs, which are estimated to be in the range of trillions of United States dollars;

(b) **Option 2: Setting a quantum based on information on needs and a carve-out for the NCQG within those needs**, which considers setting a quantum that is informed by the needs and priorities of developing countries, with a focus on a specific subset or share of estimated needs and identified priorities. Concerns raised for this option are, inter alia, that a reference to a carve-out would limit the consideration of needs and priorities as a whole and that it is unclear how a subset or share of needs and priorities would be determined;

(c) **Option 3: Setting a quantum based on outcomes to be achieved in the context of Article 2 of the Paris Agreement**, which would involve estimating the costs of achieving a specific target in line with the goals of the Paris Agreement as stipulated in its Article 2 over a medium- to long-term period. Concerns identified for this option are related to needs being limited to adaptation and mitigation, and the stability of long-term cost estimates;

(d) **Option 4: Setting a quantum dependent on the scope and structure of the NCQG**. This option suggests that the scope and structure of the NCQG should be the starting point for setting the goal, recognizing that determining the quantum will depend on the scope and structure of the NCQG;

(e) **Option 5: Setting a quantum based on the breadth of contributors, including from the private sector and philanthropic organizations and others**, which would consider the range of contributors as the starting point for determining the quantum of the NCQG to address the needs of developing countries, which are estimated to be in the range of trillions of United States dollars and, as such, the NCQG cannot be limited to international public finance only or to any single finance subflow. Concerns associated with this option relate to basing the quantum on contributors that are not subject to reporting obligations under the Convention and the Paris Agreement, meaning they cannot be held accountable, which in turn would make it difficult to track progress towards achieving the NCQG;

(f) **Option 6: Setting a quantum based on a certain percentage of the GNI or GDP of developed country Parties**, which would provide a way for the goal to be revised automatically, though concerns identified for this option relate to decreased predictability of the provision of financial sources since recessions could result in less finance being provided over the longer term;

(g) **Option 7: Setting a quantum based on a combination of the above-mentioned options.**

- (ii) *Options for structuring the quantum of the new collective quantified goal on climate finance*

35. The following three possible structures for the quantum of the NCQG were identified by participants:

(a) **Option 1: Onion structure**, where each layer represents a different quantitative element of the NCQG and the role that different actors can play in mobilizing and providing financial sources. Concerns raised relate to its complex structure, which may make it difficult to track progress in relation to each element (layer) of the goal, including owing to lack of data and information from which to derive cost estimates for each element or variations in the size, scope and source of or availability of information for each element;

(b) **Option 2: Thematic structure**, involving setting quantitative targets or sub-goals by thematic area or sector on the basis of the needs and priorities of developing countries identified in national, regional and global reports. Concerns associated with this option pertain, inter alia, to lack of availability of data from which to derive cost estimates for adaptation and addressing loss and damage compared with those for mitigation, and the significant crossover between thematic areas at implementation;

(c) **Option 3: Structure based on different sources of climate finance and the role it can play**, involving setting a sub-goal or quantum that reflects the estimated costs of addressing developing countries' needs and priorities, which could be covered by different sources of finance, and a sub-goal or quantum that could be delivered by developed to developing countries through international public finance.

- (b) **Options for ways to frame the mobilization and provision of financial sources in the new collective quantified goal on climate finance**

36. Participants discussed potential sources of finance to be taken into account in the NCQG and the relationship between the NCQG and Article 2, particularly paragraph 1(c), of the Paris Agreement, in the outcome of the NCQG.

- (ii) *Options for potential sources of finance for the new collective quantified goal on climate finance in line with Article 9 of the Paris Agreement*

37. The following four options were identified by participants in relation to potential sources of finance to be taken into account in the NCQG:

(a) **Option 1: Differentiating between types of sources of climate finance and instruments**. Participants identified the following options for differentiating between types of sources of climate finance and instruments:

(i) **Sub-option 1**: Public sources of finance, particularly grant-based finance for adaptation and addressing loss and damage, and (concessional) loans for mitigation;

(ii) **Sub-option 2**: A wide variety of sources in accordance with Article 9, paragraph 3, of the Paris Agreement;

(iii) **Sub-option 3**: A multilayer approach with international public sources at the core of the NCQG and private and innovative sources as the outer layers, with arrangements for tracking finance flows;

(iv) Most participants recognized the importance of the provision of public and grant-based financial sources as part of the NCQG. Concerns were raised regarding mobilization of finance and accountability of non-State actors. Some participants discussed options for including innovative finance. Several participants considered incorporating domestic efforts and sources of finance into the NCQG;

(b) **Option 2: Differentiating between mobilization, provision and/or alignment of financial sources** by means of:

(i) **Sub-option 1**: A quantitative goal for the provision of international public finance to developing countries;

(ii) **Sub-option 2:** Quantitative targets or sub-goals for the provision of climate finance from international public sources to developing countries and for the mobilization of private sources through public interventions;

(iii) **Sub-option 3:** A multilayer approach with one or more quantitative targets for the provision of international public climate finance and mobilization of financial sources;

(iv) **Sub-option 4:** A multilayer approach with a global investment target, an international public mobilization support target, and possible quantitative and qualitative targets representing realignment of finance flows with the goals of the Paris Agreement;

(v) **Sub-option 5:** A multilayer approach in line with the Kunming–Montreal Global Biodiversity Framework consisting of quantitative targets for phasing out harmful subsidies or the mobilization or provision of climate finance, and qualitative elements for domestic resource mobilization, leveraging private finance, and promoting use of blended finance and innovative instruments;

(c) **Option 3: Differentiating between the roles of various actors in the provision and mobilization of climate finance** as follows:

(i) **Sub-option 1:** Provision of climate finance by developed to developing country Parties and voluntary contributions from private sector entities mobilized through public interventions by developed country Parties;

(ii) **Sub-option 2:** Provision of climate finance by developed country Parties, other Parties and non-Party stakeholders, such as private sector entities and philanthropic organizations, to developing country Parties;

(d) **Option 4: Identifying quantitative and qualitative elements and sources of finance that lead to a reduction in financial sources promoting emission-intensive and non-resilient development,** which would send a strong signal to States and non-State actors in pursuing the goals of the Paris Agreement and could be referred to as a qualitative element, emphasizing willingness to continue exploring if and how to include provisions for redirecting finance flows to incentivize more sustainable investment practices. Some participants, however, emphasized that this should be implemented through national plans in a nationally determined manner, meaning that the NCQG should not prescribe national action.

(iii) *Ways to reflect the relationship between the new collective quantified goal on climate finance and Article 2 of the Paris Agreement, particularly paragraph 1(c), as it relates to finance, in the outcome of the goal*

38. When considering ways to reflect the relationship between the NCQG and Article 2, particularly paragraph 1(c), of the Paris Agreement, as it relates to finance, in the outcome of the NCQG, participants identified the following four options:

(a) **Option 1:** No integration of Article 2, paragraph 1(c), of the Paris Agreement in the NCQG;

(b) **Option 2:** Reflection of Article 2 of the Paris Agreement as a qualitative element;

(c) **Option 3:** Integration of Article 2 of the Paris Agreement as part of the NCQG;

(d) **Option 4:** Reflection of the NCQG as part of the broader picture of Article 2, paragraph 1(c), of the Paris Agreement.

39. Proponents of mentioning Article 2, paragraph 1(c), of the Paris Agreement in the NCQG stressed that doing so would recognize linkages between the NCQG and Article 2, with some suggesting that achieving Article 2, paragraph 1(c), should be central to the NCQG. Other views expressed included that Article 2, paragraph 1(c), should be complementary to but not part of the NCQG, or that, if the NCQG is to include sub-goals or targets pertaining to Article 2, it would need to equally reflect sub-goals or targets pertaining to all subparagraphs of paragraph 1 of that Article. Some participants recognized the linkages

between the NCQG and Article 2, paragraph 1(c), as a qualitative element of the NCQG that could be achieved by reiterating paragraph 15 of decision 9/CMA.3 in the decision on setting the NCQG. Further, acknowledging that the Sharm el-Sheikh dialogue on Article 2, paragraph 1(c), and its complementarity with Article 9 has only just been initiated, participants noted that integration of this matter is not feasible at this point owing to lack of a common understanding of it.

3. Seventh technical expert dialogue

40. At the seventh technical expert dialogue, participants discussed options for framing the qualitative elements of the NCQG, setting up transparency arrangements to track progress towards achieving the NCQG, including linkages with other processes under the UNFCCC, and Party-driven periodic revision of the NCQG sources (see annex IV for a non-exhaustive list of options).

(a) Options for ways to frame the qualitative elements of the new collective quantified goal on climate finance

41. The following two options were identified for framing the qualitative elements of the NCQG:

(a) **Option 1: Determining the qualitative elements of the NCQG as part of a set of principles**, which aims to keep the NCQG as simple and direct as possible and consistent with Article 9 of the Paris Agreement. This option could also consider other principles of the Convention and the Paris Agreement, with the potential to include links to other relevant Articles;

(b) **Option 2: Determining the qualitative elements of the NCQG as part of set of principles and in the form of an aspirational goal**, which would involve both embedding a qualitative goal into a paragraph with a chapeau and operationalizing it throughout the NCQG. Participants noted that identifying the roles of various stakeholders in the context of the NCQG would be important for the effective implementation of this option.

(b) Options for tracking and reviewing progress towards the new collective quantified goal on climate finance

42. The following three options were identified for tracking and reviewing progress towards the NCQG:

(a) **Option 1: Tracking and reviewing progress towards the NCQG through the ETF**, though participants raised concerns regarding whether the ETF can fully capture private sector finance and concerns about double counting. There were divergent opinions on including Article 2, paragraph 1(c), of the Paris Agreement within the scope of the NCQG. Identified gaps and weaknesses under the ETF include challenges associated with different methodologies for reporting on climate finance flows, the absence of a common definition of climate finance, the voluntary nature of reporting on grant equivalency, and lack of certain qualitative aspects;

(b) **Option 2: Other relevant tracking and reporting systems**. This option considers the central role of the UNFCCC in leveraging data from multiple sources (e.g. the Intergovernmental Panel on Climate Change, multilateral development banks, the Organisation for Economic Co-operation and Development and the SCF) and could involve developing an online tool to facilitate the provision of data by climate finance data producers and aggregators;

(c) **Option 3: Options for aggregate reporting** using data generated under the UNFCCC process. There was a suggestion to mandate the operating entities of the Financial Mechanism to report on the ways the operating entities respond to the NCQG, with participants also stressing the need to use processes such as the GST for finding data sources beyond Parties' reporting under the UNFCCC.

43. **Frequency of reporting:** Options identified included the following five options:

(a) **Option 1: Annual reporting**, which would allow Parties to provide more frequent updates of the NCQG, but concerns were raised regarding the availability of relevant data;

(b) **Option 2: Biennial reporting**, which was identified as the preferred option since it would allow for periodic updates but avoid an excessive reporting burden;

(c) **Option 3: Periodic reporting based on milestones**, which would provide a flexible approach to reporting on the basis of a specific milestone, thus adapted to developing countries' needs and priorities;

(d) **Option 4: Combination of reporting frequencies**, which would enable core information to be reported biennially and specific updates or priority areas to be reported on annually;

(e) **Option 5: Longer timeline for NCQG review**, which could be useful when the purpose of the report is to inform the updating or review of the goal itself.

(c) **Options for Party-driven periodic revision**

44. The following three options for the time frames for Party-driven periodic revision of the NCQG were identified:

(a) **Option 1: Short-term time frame (five years)**, which emphasizes the need for predictability of reporting on the NCQG (and therefore ensuring delivery thereof) and regular updates based on developing countries' needs and the best available science. One challenge identified for this option is the potential inefficiency of renegotiating the NCQG every five years, given the diverse budgeting cycles of countries;

(b) **Option 2: Medium-term time frame (10 years)**, which would strike a balance between aligning with countries' budgeting processes and ensuring effectiveness. The importance of aligning the time frame and the review process with the structure of the NCQG, including different time frames for qualitative elements such as gender, was stressed;

(c) **Option 3: A long time frame (>10 years)** option for the aspirational goal was highlighted, complemented by clearly defined five-year interim targets and reviews.

B. Areas identified for further consideration

45. During dedicated sessions at the technical expert dialogues, participants identified the following technical areas requiring further discussion and areas requiring further political guidance, including at CMA 5 and/or at the 2023 HLMD.

1. Technical consideration

46. During the dedicated sessions at the technical expert dialogues, participants identified technical areas that require further discussion going forward, including at CMA 5, some of which may not fall within the scope of the NCQG process. For example, some may need to be addressed within the broader scope of work of the SCF or under other workstreams in the intergovernmental process. The technical issues identified relate, inter alia, to the following:

(a) **Implementation of the NCQG**, including clarity of the start date for the implementation of the NCQG, and whether the NCQG will be implemented from 2026 or supersede the USD 100 billion per year goal in 2025;

(b) **Tracking and reviewing progress towards the NCQG**, including:

(i) Utilizing various potential sources of information to use, such as the biennial transparency reports submitted by Parties under the ETF, the work of the SCF including its BAs, and the GST process for tracking NCQG progress;

(ii) Encouraging transparent reporting by non-Party stakeholders;

(c) **Baselines and indicators for the NCQG**, including:

(i) Considering the need for indicators and setting baselines for tracking progress;

- (ii) Exploring the sources of information for setting baselines and appropriate arrangements for tracking progress;
- (d) **Revision of the NCQG**, namely:
 - (i) **On time frame for revision to implementation**, considering if a grace year is needed between revising the NCQG and implementing it and exploring the possibility of reaching political agreement before the implementation;
 - (ii) **On the role of NDCs**, considering whether the revised NCQG should align with updated NDCs or whether NDCs would subsequently help to inform the revision of the NCQG;
 - (iii) **The role of the GST** in revising the NCQG, including its potential to provide input to technical work under the ad hoc work programme in 2024;
- (e) **Structure of the NCQG**, namely:
 - (i) The modality and methodology for determining and setting the NCQG;
 - (ii) Representation of the NCQG in quantitative values (e.g. absolute values, ranges, percentages or metrics);
 - (iii) Framing principles in the context of the NCQG;
 - (iv) Incorporating Article 2, paragraph 1(c), of the Paris Agreement into the design and implementation of the NCQG;
 - (v) Addressing ‘collective’ aspects of implementation, whether burden-sharing or broadening the contributor base;
 - (vi) Ensuring a balance in the provision of finance between mitigation and adaptation, and considering loss and damage;
 - (vii) Including modalities for simplified access to climate finance and promoting inclusivity;
 - (viii) Incorporating the needs and priorities of developing countries;
 - (ix) Adaptability of the NCQG over time;
 - (x) Incorporating a variety of instruments, funding sources and channels;
 - (xi) Reflecting effectiveness (e.g. increased resilience and reduced GHG emissions);
- (f) **Addressing knowledge gaps** in terms of:
 - (i) Estimating the costs of addressing the needs and priorities of developing countries within different time frames;
 - (ii) Quantifying the needs and priorities of developing countries in relation to loss and damage, including non-economic aspects, and differentiating them from those in relation to adaptation;
 - (iii) Addressing disparities in the estimated costs of addressing developing countries’ needs resulting from use of different methodologies and assumptions;
 - (iv) Quantifying needs and priorities by sector, subsector, geographical region and time frame;
 - (v) Assessing needs and priorities on the basis of different financial sources and instruments;
- (g) **Mobilization and provision of financial sources**, namely:
 - (i) Analysing public finance provided by developed countries and private finance mobilized through public interventions, including lessons learned;
 - (ii) Assessing how much public finance can be leveraged in mobilizing private sector contributions;

- (iii) Clarifying ways to measure private sector contributions;
- (iv) Considering an approach to reducing the mobilization of finance that is inconsistent with pathways towards climate-resilient and low-emission development, while enhancing the monitoring of progress in that regard;
- (v) Differentiating between innovative sources of finance and innovative instruments when discussing qualitative elements;
- (vi) Exploring ways to scale up grant-based finance;
- (vii) Considering insights from other workstreams under the UNFCCC;
- (viii) Developing strategies for mobilizing public financial support for just transitions;
- (h) **Other**, namely:
 - (i) Considering specific options related to the quantum of the goal that involve a detailed exploration of options with clear underlying assumptions, definitions and methodologies;
 - (ii) Considering narrowing of the options arising from the different technical expert dialogues, bringing additional structure and moving towards more specific and detailed discussion.

47. During the three technical expert dialogues conducted in 2023 so far, participants did not express views on options for accelerating the achievement of the goal in Article 2 of the Paris Agreement of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature to 1.5 °C above pre-industrial levels. Discussions focused predominantly on reiterating the aim of the NCQG as stipulated in paragraph 15 of decision 9/CMA.3.

2. Areas requiring further political guidance

48. During the dedicated sessions at the technical expert dialogues, participants identified the following areas, among others, that would benefit from further political guidance at CMA 5 and at the 2023 HLMD:

- (a) **Structure of the NCQG**, including sub-goals, time frames and quantitative and qualitative elements;
- (b) **Nature, temporal scope and sources of information for the goal**, which impact various aspects of the goal;
- (c) The extent to which the NCQG should take into **consideration the needs and priorities of developing countries**;
- (d) The need for **regular revision of the NCQG and its quantum** on the basis of the changing needs and priorities of developing countries;
- (e) How channels of resources can integrate the **principles of equity and common but differentiated responsibilities** and be adjusted to effectively address the needs and priorities of developing countries;
- (f) Whether the NCQG will be determined on the basis of the **latest science**;
- (g) Determination of the quantum of the NCQG on the basis of **adaptation needs, just transition and mitigation processes**;
- (h) Consideration in the NCQG of the **adverse impacts of response measures**, including unilateral measures, and the resulting financial deficits in developing countries;
- (i) Whether the NCQG should be framed as a **climate finance provision or mobilization goal**;
- (j) **Definition of climate finance** and its relationship with the NCQG;

- (k) Contribution of **different actors** (e.g. operating entities of the Financial Mechanism, public and private sources and international and domestic contexts) to achievement of the NCQG;
- (l) Relationship of the NCQG with **Article 2, including paragraph 1(c), and Article 9 of the Paris Agreement**;
- (m) Reflection of the **global effort** referred to in Article 9, paragraph 3, of the Paris Agreement in the NCQG;
- (n) Consideration in the NCQG of the aim of **addressing the high cost of climate action** for developing countries and inclusion of **funding for loss and damage**;
- (o) **Long-term vision of the NCQG** in relation to transformational change and effectively achieving the goals of the Paris Agreement;
- (p) **Budgetary process reforms** in developed countries to enable increased scale and efficiency;
- (q) Improved **coordination and collaboration** among developed country Parties on burden-sharing arrangements in relation to achieving the NCQG;
- (r) Consideration of **lessons learned from the USD 100 billion goal**, including in relation to the low mobilization of private finance, ensuring that the NCQG is fit for purpose and ensuring political commitment for its implementation;
- (s) **Progress reports on tracking progress towards achieving the NCQG and different methodological approaches for a progress report**;
- (t) **Linkages between and inclusiveness of finance for adaptation and addressing loss and damage** in the NCQG;
- (u) How the **technical outcomes of the technical expert dialogues will be considered** at the political level and in the final outcome of the NCQG.

C. Reflections on the work undertaken in 2023 and outlook to 2024

49. Through the technical expert dialogues held in 2023 so far, the co-chairs of the ad hoc work programme sought to provide a space for inclusive, open, frank, technical and outcome-oriented discussions on all elements of the NCQG identified in the relevant COP and CMA decisions to help to make significant substantive progress in the deliberations on the NCQG at CMA 5. Recognizing that the deliberations on the NCQG are cyclical in nature, with the political deliberations providing guidance for the technical work and the technical work informing the political deliberations, the co-chairs endeavoured to develop a shared understanding of technical issues on all elements with a view to informing and advancing the discussions at CMA 5.

50. In the second year of the ad hoc work programme, the co-chairs shifted the focus from scoping out the elements of the NCQG to identifying clear options for framing it. The options identified for the NCQG during the technical expert dialogues conducted in 2023 so far cover the various elements of the NCQG, such as temporal scope and time frame, options for determining the quantum of the goal as well as considerations related to qualitative elements, options for ways to frame the mobilization and provision of financial sources and transparency arrangements for tracking progress towards achieving the NCQG. These options mark a significant advancement in the work on the NCQG and provide multiple possibilities for further shaping its development. In addition, the options, while far from exhaustive or comprehensive, build a solid foundation for achieving meaningful outcomes under the ad hoc work programme in 2024.

51. Recognizing the value of and engaging and exchanging experience with a diverse range of stakeholders, including non-Party stakeholders, the co-chairs deployed various methods, such as calls for submissions and consultations on request, to gather a wide range of perspectives on the elements under discussion, including the development of options. The

active involvement of a wide range of stakeholders reinforced inclusive and participatory representativeness under the ad hoc work programme.

52. The technical expert dialogues highlighted the complex and multifaced nature of the NCQG and underscored the need for in-depth technical and political areas that require further guidance to ensure that the NCQG is designed in a manner that comprehensively addresses the needs and priorities of developing countries.

53. On the basis of the three technical expert dialogues held so far in 2023, the co-chairs would like to highlight a set of key reflections that encapsulate the collective understanding of Parties and may provide guidance to the future work on the NCQG.

54. The technical work carried out at the technical expert dialogues in 2023 has sufficiently covered a wide range of discussions, including identifying a non-exhaustive set of options for each of the elements of the NCQG. Therefore, the ad hoc work programme could benefit in shifting the mode of work going forward, including shifting the focus of discussions at the technical expert dialogues in 2024, with a view to transitioning towards more politically oriented discussions while leveraging the wealth of technical work undertaken in 2023. These key reflections include, but are not limited to, the following:

(a) In the light of the technical expert dialogues held in 2023, which comprehensively addressed political and technical discussions covering key elements of the NCQG, the technical expert dialogues in 2024 could be used to transition from the identification of options to refining identified options and translating them into elements of draft decision text for consideration at CMA 6, without prejudice to the deliberations on the NCQG. This would aid in narrowing down the options identified thus far and/or presenting options on the whole NCQG package, and contribute to developing a shared understanding of the options for all elements with a view to informing and advancing the deliberations at CMA 6, while CMA 5 could provide guidance on the 2024 technical process;

(b) Engagement with ministers solely during the HLMDs may not be sufficient for facilitating the resolution of political impasses regarding key elements of the NCQG, meaning that greater political involvement throughout 2024 would be useful;

There is a need to establish a collective understanding of the nuances in Article 2, paragraph 1(c), of the Paris Agreement and clarify its relationship with Article 9; further guidance on this could be provided at CMA 5.

Annex I

Options identified for the time frames of the new collective quantified goal on climate finance at the fifth technical expert dialogue

<i>Timeframe</i>	<i>Option</i>
Short-term time frame	Five-year time frame
	Five-year time frame with annual targets and an embedded review and revision process
	Five-year time frame with annual review cycles and revision process
	Five-year time frame with biennial review cycles and revision process
Medium-term time frame	10-year time frame
	10-year time frame with annual targets and an embedded review and revision process
	10-year time frame with annual review cycles
	10-year time frame with biennial review cycles
Long-term time frame	25-year time frame with milestones for 2030 and 2040
	25-year time frame, linked to net zero targets, with review cycles every five years
	25-year time frame, linked to net zero targets, with review cycles after 10 years
	25-year time frame, linked to net zero targets, with an assessment midway
Combination of the above	10-year operational time frame (2025–2034 or 2026–2035) with an aspirational target to align with net zero targets by 2050
	A firm time frame of five years (2025–2029 or 2026–2030) and an indicative time frame of another five years (2031–2036)
Unspecified	Outcome-oriented target linked to net zero targets (which may not always be 2050 but could be 2060 or 2070) or peaking of GHG emissions
	Goal without reference to a time frame

Annex II

Options for the structure of the new collective quantified goal on climate finance, including quantitative and qualitative elements, identified at the fifth technical expert dialogue

<i>Option</i>	<i>Structure</i>
A quantitative goal with a time frame and principles and/or quantitative and qualitative elements	<p>A quantitative goal with a time frame and underlying principles</p> <p>A quantitative goal of collectively mobilizing USD X per year by 20xx to developing countries;</p> <p>A developed country goal of collectively providing USD X annually from 2025 to 2029 or 2026 to 2030 to developing countries;</p> <p>[Combination of options 1 and^a 2] A goal of collectively mobilizing USD X or x% of GNI/GDP per year by 20xx to developing countries;</p> <p>[Combination of options 1, 4 and 2] A goal of collectively mobilizing USD X or X% of GNI/GDP per year by 20xx to developing countries, from public sources from developed countries and USD X or X% of GNI/GDP from other sources (e.g. the private sector);</p> <p>As part of a global effort, provision and mobilization of USD X per year by 20xx from high emitters based on past, current and future emissions and from countries with higher economic capacities, including developed country Parties, for effective climate action in developing countries, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States</p>
A goal with quantitative and qualitative elements and/or principles	<p>A quantified goal from developed to developing countries</p> <p>A quantified goal of mobilizing and providing USD X annually</p> <p>A goal to be structured by thematic area that is accompanied by principles</p> <p>A quantified goal of mobilizing and providing USD X, accompanied by quantitative and qualitative elements and underlying principles</p> <p>[Option 5] A goal of collectively mobilizing USD X from public, private, domestic and international sources of finance</p> <p>[Combination of options 5 and 6] A goal of collectively mobilizing USD X from public, private, domestic and international sources of finance including South–South cooperation and reference to making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development</p> <p>A goal that includes quantification in monetary terms as well as quantified indicators of effectiveness of implementation</p> <p>A quantitative goal framed as USD X plus x% of annual inflation</p> <p>A goal with elements around achieving a balance between mitigation and adaptation</p> <p>A goal with an element on improving capacities to implement climate action</p>
A quantitative goal with or without a time frame and principles and/or quantitative and qualitative elements and objectives	<p>[Combination of options 1 and 7] A goal of collectively mobilizing USD X per year by 20xx to developing countries that includes a specific element on the objective of the 1.5 °C temperature goal</p> <p>[Combination of options 2, 5, 6 and 7] A goal of collectively mobilizing x% of GNI from private, domestic and international sources of finance for achieving net zero/1.5 °C/X GHG emissions reduced, and increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low GHG emissions development, in a manner that does not threaten food production, and making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development in the context of xxx</p> <p>[Combination of options 4, 5, 6 and 7 and reference to increasing resilience] A goal of collectively mobilizing USD X from public sources from developed countries</p>

Option	Structure
	<p>and USD X from other sources (e.g. private, domestic, international) to achieve net zero/1.5 °C/X GHG emissions reduced, and increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low GHG emissions development, in a manner that does not threaten food production, and making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development</p>
	<p>[Combination of options 5, 6 and 7 to work towards the acceleration of climate action in developing countries, by mobilizing a wide range of finance, including, but not exclusively, climate finance, e.g. South–South cooperation and other areas] A goal of collectively mobilizing USD X from public, private, domestic and international sources of finance including South–South cooperation and reference to making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development and achieving net zero/1.5 °C/X GHG emissions reduced</p>
<p>Goal with time frame and sub-goals</p>	<p>[Combination of option 3, time frame and annual targets] A quantified goal of collectively mobilizing USD X per year from 20xx to 20xx to developing countries with sub-goals for mitigation, adaptation, and loss and damage</p> <p>[Combination of options 1 and 3] A developed country goal of collectively providing USD X annually from 2025 to 2029 or 2026 to 2030 to developing countries with quantified sub-goals by thematic area for mitigation, adaptation, and loss and damage</p> <p>A goal with annual targets, thematic sub-goals and sources of public and private finance</p> <p>A goal with sub-goals and different time frames across the sub-goals to account for differences in data availability and data quality</p> <p>[Combination of options 1, 2, 3 and 4] A goal of collectively mobilizing USD X or x% of GNI/GDP per year by 20xx to developing countries, from public sources from developed countries and USD X or x% of GNI/GDP from other sources (e.g. private sector), with sub-goals for mitigation, adaptation, and loss and damage</p> <p>[Combination of options 1, 3 and 4] Quantified goal of collectively mobilizing USD X per year by 20xx to developing countries, of which USD X is from public sources from developed countries and USD X is from other sources (e.g. private sources), with sub-goals for mitigation, adaptation, and loss and damage</p> <p>[Combination of options 1, 3, 4 and 7] A goal of collectively mobilizing USD X per year by 20xx to developing countries, of which USD X is from public sources from developed countries and USD X is from other sources (e.g. private sector), with sub-goals for mitigation, adaptation, and loss and damage, and reference to achieving net zero/1.5 °C/X GHG emissions reduced</p>
<p>Goal and sub-goals</p>	<p>No sub-goals</p> <p>[Combination of options 3 and 4] A quantified goal of collectively mobilizing USD X to developing countries with sub-goals for mitigation, adaptation, and loss and damage, with USD X from public sources from developed countries and USD X from other sources (e.g. private sources)</p> <p>[Combination of options 4 and 5 with public finance at the core/nucleus] A goal of collectively mobilizing USD X from developed countries, emphasizing the role of public sources at the core and including wider financial resources (e.g. private, domestic, South–South flows) needed to achieve the Paris Agreement goals globally</p> <p>[Combination of options 3, 4 and 5] A quantified goal of collectively mobilizing USD X from developed countries with sub-goals that cover mitigation, adaptation, and loss and damage, from public, private, international and domestic sources of finance</p> <p>A quantified goal of global climate investment of USD X, comprising domestic, public, private and international sources of finance, with a defined quantitative subset to be defined for resources under Article 9 of the Paris Agreement (i.e. climate finance)</p>

Option	Structure
	<p>[Combination of options 3, 5 and 6] A quantified goal of collectively mobilizing USD X to developing countries with sub-goals for mitigation, adaptation, and loss and damage from public, private, domestic and international sources of finance and making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development</p> <p>An outcome-based goal including costed sub-goals for mitigation, adaptation, and loss and damage informed by the best available science for achieving the goals of the Paris Agreement and covering the respective needs of developing countries that enable them to act towards the collective efforts</p> <p>[Combination of options 3 and 7] A goal of collectively mobilizing USD X to developing countries with sub-goals for mitigation, adaptation, and loss and damage that includes a specific element on the objective of the 1.5°C temperature goal</p> <p>A quantified goal with quantified sub-goals by thematic areas of mitigation, adaptation and new and additional resources for loss and damage (with specification that loss and damage related needs are new and additional)</p> <p>[Combination of options 3 and 9] A quantified goal with quantified sub-goals by thematic areas of mitigation, adaptation, and loss and damage, including a percentage share allocated to vulnerable groupings</p> <p>[Combination of options 2 and 3] A goal of collectively mobilizing x% of GNI to developing countries with sub-goals for mitigation, adaptation, and loss and damage</p> <p>[Combination of options 3 and 5] A goal of collectively mobilizing USD X to developing countries with sub-goals for mitigation, adaptation, and loss and damage, of which USD X is from public sources of finance from developed countries and USD X from other sources (e.g. private)</p> <p>A quantified goal with quantified sub-goals by thematic areas for mitigation and adaptation (if the goal has sub-goals)</p> <p>A quantified goal with quantified sub-goals for mitigation, adaptation, loss and damage and capacity-building as absolute values rather than shares</p> <p>A mobilization goal with sub-goals for mitigation, adaptation, and loss and damage</p> <p>[Combination of options 3 and 6] A quantified goal of collectively mobilizing USD X to developing countries with sub-goals for mitigation, adaptation, and loss and damage, and making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development</p> <p>[Combinations of options 6 or 7 with quantified sub-goals] A goal of shifting financial flows in line with Article 2, paragraph 1(c), of the Paris Agreement with quantified sub-goals or an overarching goal of achieving net zero/1.5 °C/X GHG emissions reduced with quantified sub-goals</p> <p>A goal of mobilizing USD X, including USD X mobilized by 20xx, and specific sub-goals</p> <p>A quantified goal with sub-goals that are specified by quantitative ranges of monetary values</p> <p>A goal and sub-goals with provisions to achieve a balance between mitigation and adaptation based on the needs of developing countries and science-based information rather than a 50:50 percentage share</p> <p>A goal with a sub-goal on minimum floor of finance for the least developed countries</p> <p>A quantified goal that sets upper financial limits (caps) by geographical regions, countries or country groupings</p> <p>A goal with sub-goals that differentiate between concessional finance and grants, and between national and local recipients</p> <p>A goal with sub-goals by instruments</p> <p>A goal with a sub-goal on grant-based finance</p>

Option	Structure
Goal including sub-goals framed as indicators of success	<p>A goal with sub-goals that differentiate between support needs and investment needs</p> <p>A set of multiple sub-goals only</p> <p>Sub-goals around themes (mitigation, adaptation, and loss and damage), country groupings/recipients, channels and sectors</p> <p>A goal with sub-goals for emissions reduced and enhanced adaptation and resilience and including a link to the GST</p> <p>A goal with sub-goals for emissions, and adaptation and resilience</p> <p>A goal with an element or sub-goal on improving capacities to implement climate action</p> <p>A goal with a sub-goal on access to financial sources for vulnerable communities</p> <p>A goal with sub-goals for vulnerable communities as recipients and reference to gender- responsiveness</p> <p>A goal with a sub-goal for making financial flows consistent with a pathway towards low GHG emissions and climate-resilient development</p> <p>A goal with a sub-goal focusing on reducing fossil fuel finance</p>
An aspirational goal with principles or objectives	<p>“A long-term aspirational goal”, with quantitative and/or qualitative elements, that may or may not include sub-goals</p> <p>A main, principle-based goal of making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development</p>
Outcome-oriented goal	<p>[Option 7] A goal of achieving net zero/1.5 °C/X GHG emissions reduced</p> <p>[Combination of options 6 and 7, plus replacing the reference to Article 2, paragraph 1(c), of the Paris Agreement, with paragraph 1(b)] A goal of achieving net zero/1.5 °C/X GHG emissions reduced, and increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low GHG emissions development, in a manner that does not threaten food production</p> <p>[Combination of options 6 and 7, including reference to option 2] A goal of achieving net zero/1.5 °C/X GHG emissions reduced, and increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low GHG emissions development, in a manner that does not threaten food production, and making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development</p> <p>[Combination of options 6 and 7] A collective mobilization goal of increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low GHG emissions development, in a manner that does not threaten food production, making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development and achieving net zero/1.5 °C/X GHG emissions reduced</p> <p>An outcome-oriented goal that is aligned with the global goal on adaptation and increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low GHG emissions development, in a manner that does not threaten food production</p>

Note: Table not fully edited to preserve the option form used to in the interventions.

^a Reference to options and combination of options are based on the example options developed by the co-chairs ahead of the fifth technical expert dialogue, available at <https://unfccc.int/guiding-questions-for-the-fifth-technical-expert-dialogue-on-the-new-collective-quantified-goal-on>.

Annex III

Options for ways to determine the quantum of the new collective quantified goal on climate finance, in the context of its aim of contributing to accelerating the achievement of Article 2 of the Paris Agreement, and for ways to frame the mobilization and provision of financial sources in the new collective quantified goal identified at the sixth technical expert dialogue

<i>Option</i>	<i>Elements identified</i>
Options for ways to approach determining the quantum of the new collective quantified goal on climate finance	<p>Setting a quantum based on information on the needs and priorities of developing countries, thereby following a bottom-up approach</p> <p>Setting a quantum based on information on needs and a carve-out for the NCQG within those needs</p> <p>Setting a quantum based on outcomes to be achieved in the context of Article 2 of the Paris Agreement (outcome-oriented goal)</p> <p>Setting a quantum dependent on the scope and structure of the NCQG</p> <p>Setting a quantum based on the breadth of contributors, including from the private sector, philanthropic organizations and others</p> <p>Setting a quantum based on a certain percentage of the GNI or GDP of developed country Parties</p> <p>Setting a quantum based on a combination of options.</p>
Options for structuring the quantum of the new collective quantified goal on climate finance	<p>Onion structure</p> <p>Thematic structure</p> <p>The role that the NCQG can play</p>
Options for potential sources of finance within the new collective quantified goal on climate finance in line with Article 9 of the Paris Agreement	<p>Differentiating between types of sources of climate finance and instruments:</p> <p>Sub-option 1: public sources of finance, particularly grant-based finance for adaptation and addressing loss and damage, and (concessional) loans for mitigation</p> <p>Sub-option 2: a wide variety of sources in accordance with Article 9, paragraph 3, of the Paris Agreement</p> <p>Sub-option 3: a multilayer approach with international public sources at the core of the NCQG and private and innovative sources as the outer layers, with arrangements for tracking finance flows</p> <p>Differentiating between mobilization, provision and/or alignment of financial sources:</p> <p>Sub-option 1: a quantitative goal for the provision of international public sources of finance to developing countries</p> <p>Sub-option 2: a quantitative target or sub-goal for the provision of climate finance from international public sources to developing countries and for private sources mobilized through public interventions</p> <p>Sub-option 3: a multilayer approach with (a) quantitative target(s) for the provision of international public climate finance at the core and mobilization of financial sources</p> <p>Sub-option 4: a multilayer approach with a global investment target, an international public mobilization support target, and possible</p>

<i>Option</i>	<i>Elements identified</i>
<p>Ways to reflect the relationship between the new collective quantified goal on climate finance and Article 2 of the Paris Agreement, particularly paragraph 1(c), as it relates to finance, in the outcome of the goal</p>	<p>quantitative and qualitative targets representing realignment of finance flows with the goals of the Paris Agreement</p> <p>Sub-option 5: a multilayer approach in line with the Kunming–Montreal Global Biodiversity Framework consisting of quantitative targets, and qualitative elements for domestic resource mobilization, leveraging private finance, and promoting blended finance and innovative instruments</p> <p>Differentiating between the roles of various actors in the provision and mobilization of climate finance:</p> <p>Sub-option 1: provision of climate finance from developed to developing country Parties and voluntary contributions from private sector entities mobilized through public interventions by developed country Parties;</p> <p>Sub-option 2: provision of climate finance from developed country Parties, other Parties and non-Party stakeholders, such as private sector entities and philanthropic organizations, to developing country Parties.</p> <p>Identifying quantitative and qualitative elements and sources of finance that lead to a reduction in financial sources promoting emission-intensive and non-resilient development.</p> <p>No integration of Article 2, paragraph 1(c), of the Paris Agreement in the NCQG</p> <p>Reflection of Article 2 of the Paris Agreement as a qualitative element</p> <p>Integration of Article 2 of the Paris Agreement as part of the NCQG</p> <p>Reflection of the NCQG as part of the broader picture of Article 2, paragraph 1(c), of the Paris Agreement</p>

Annex IV

Options for ways of framing the qualitative elements of the new collective quantified goal on climate finance, tracking and reviewing progress towards the new collective quantified goal on climate finance, and for Party-driven periodic revision identified at the seventh technical expert dialogue

<i>Option</i>	<i>Elements identified</i>
Options for ways of framing the qualitative elements of the new collective quantified goal on climate finance	<p>Determining the qualitative elements of the NCQG as a part of a set of principles</p> <p>Determining the qualitative elements of the NCQG as a part of set of principles and in the form of an aspirational goal</p>
Options for tracking and reviewing progress towards the new collective quantified goal on climate finance	<p>Tracking and reviewing progress towards the NCQG through the ETF</p> <p>Other tracking and reporting systems relevant to the NCQG</p> <p>Options for aggregate reporting of the NCQG</p> <p>Frequency of reporting:</p> <p>Sub-option 1: annual reporting</p> <p>Sub-option 2: biennial reporting</p> <p>Sub-option 3: periodic reporting based on milestones</p> <p>Sub-option 4: combination of reporting frequencies</p> <p>Sub-option 5: longer timeline for goal review</p>
Options for Party-driven periodic revision	<p>Short-term time frame (5 years)</p> <p>Medium-term time frame (10 years)</p> <p>Long-term time frame (>10 years)</p>