

DRAFT TEXT BY CO-CHAIRS

on

CMA 3 agenda sub-item 8(e) New collective quantified goal on climate finance

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Draft CMA decision on the new collective quantified goal on climate finance

[The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling decision 1/CP.21, paragraph 53,

1. *Recalls* decision 14/CMA.1 on the initiation of the deliberations on setting a new collective quantified goal [on climate finance] and *decides* to conduct the deliberations in an open, inclusive and transparent manner and in line with decision 1/CP.21, paragraph 53;
2. *Recognizes* that the deliberations on the new collective quantified goal [on climate finance] will be cyclical in nature, with the political deliberations providing guidance to the technical work to be conducted and the technical work informing the political deliberations;
3. **Option 1:** *Confirms* that the new collective quantified goal [on climate finance] will be based on a technical input presented to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to guide its deliberations;

Decides to establish an ad hoc committee, in accordance with the terms of reference contained in annex I, to present a results-based technical assessment of the financing requirements to meet the goals of the Convention and Paris Agreement in line with paragraphs 5–6 below for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session (November 2022);

Also decides that the deliberations by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on the technical assessment referred to in paragraph X above will conclude at its fifth session (November 2023) and will consist of [technical expert dialogues similar to option 3];

Option 2: *Decides* that the deliberations shall be conducted under a subsidiary body serving the Paris Agreement, hereby established and to be known as the Ad Hoc Working Group on the New Collective Quantified Goal [on Climate Finance] under the Paris Agreement (hereinafter referred to as the Ad Hoc Working Group), in accordance with this decision and the terms of reference contained in annex II;

Also decides that the Ad Hoc Working Group shall develop and provide technical recommendations for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement in line with paragraphs 5–6 below;

Requests the secretariat to organize annual expert meetings in 2022, [and] 2023 [and 2024] as part of the work of the Ad Hoc Working Group, taking into consideration the submissions referred to in paragraphs 7–8 below;

Also requests the secretariat, in organizing the expert meetings referred to in paragraph X above, to ensure the participation of all interested Parties;

Further requests the secretariat to prepare a summary report of the expert meetings referred to in paragraph X above for the consideration of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its next session;

Decides that the meetings of the Ad Hoc Working Group and the expert meetings referred to in paragraph X above will cover, *inter alia*, the matters referred to in paragraph 6 below;

Notes that the organization of work of the Ad Hoc Working Group will require a significant amount of additional financial resources to enable the participation of delegates from Parties eligible to be funded in sessions of the Group and to provide conference services and substantive support for these sessions;

Strongly urges Parties to facilitate the work of the Ad Hoc Working Group by providing contributions, where possible, to the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities and/or other forms of in-kind support for the activities of the Ad Hoc Working Group outlined in this decision;

Takes note of the estimated budgetary implications of the activities to be undertaken in response to this decision, including the actions of the secretariat, and *requests* that adequate financial resources shall be made available for the work of the Ad Hoc Working Group from the programme budget;

Decides to convene high-level decision-making ministerial [dialogues][round tables], starting in 2022 and ending in [2023][2024], ensuring open and robust discussions, to inform and be informed by the reports of the Ad Hoc Working Group referred to in annex II and the submissions referred to in paragraphs 7–8 below;

Option 3: *Requests* the Subsidiary Body for Implementation to provide technical and preparatory work with a view to facilitating the decision by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on the new collective quantified goal [on climate finance];

Also requests the secretariat to organize [in][post]-session technical expert dialogues in 2022, 2023 and 2024, taking into consideration the submissions referred to in paragraphs 7–8 below, with a view to informing the deliberations of the Subsidiary Body for Implementation and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement referred to in paragraphs 3–4;

Further requests the secretariat, in organizing the expert dialogues referred to in paragraph x above, to ensure the participation of all interested Parties, civil society, including youth, and the private sector;

Decides that the first technical expert dialogue, to be held in 2022, will cover, *inter alia*, the scope, structure and objective of the new collective quantified goal [on climate finance], including deliberations on quantity, quality and access features;

Requests the secretariat to prepare a summary report on the technical expert dialogues referred to in paragraph X above for consideration by the Subsidiary Body for Implementation and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

Decides to convene high-level ministerial dialogues starting in 2022 and ending in 2024, ensuring effective political engagement and open, meaningful and robust discussion, to be informed by the reports of the technical expert dialogues referred to in paragraph 3 above and the submissions referred to in paragraphs 7–8 below;

Requests the Presidency of the Conference of the Parties to prepare a summary of the deliberations during the high-level ministerial dialogues, including recommendations and guidance from ministers, for consideration by the Subsidiary Body for Implementation and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

4. *Decides* to continue its deliberations on setting a new collective quantified goal [on climate finance] with a view to building a new financial architecture on the mobilisation of funds, taking stock of the progress made and providing further guidance on the work conducted in accordance with paragraph 3 above, taking into consideration the summary reports of the [Option 1][Option 2][Option 3] and the high-level ministerial [dialogues][round tables] referred to in paragraphs X–X above;

5. *Underscores* that the new collective quantified goal [on climate finance] must reflect and contribute to the goal 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 increase

to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;

6. **Option 1:** *Decides* to consider, in its deliberations on setting a new collective quantified goal [on climate finance] 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, the aim to strengthen 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, without prejudice to other elements, including quantity, quality and access features of the new goal, that will also be considered as the deliberations evolve and taking into consideration the submissions referred to in paragraphs 7–8 below;

Option 2: *Decides* that the aforementioned deliberations will define an annual mobilization goal in the form of an ambitious figure, taking into account the needs and priorities of developing countries, as expressed, *inter alia*, in their nationally determined contributions, that includes quantity, quality and access features and targets, as well as sources of funding, of the goal and transparency arrangements to track the progress towards achievement of the goal, without prejudice to other elements that will also be considered as the deliberations evolve and taking into consideration the submissions referred to in paragraph 7–8 below;

Option 3: *Agrees* that the deliberations on the quantum mobilization target should start from range of a commitment by developed countries to mobilize jointly at least USD 1.3 trillion per year by 2030, of which 50 per cent will be for mitigation and 50 per cent for adaptation, and a significant percentage on a grant basis from a floor of USD 100 billion, taking into account the needs and priorities of developing countries outlined in their updated nationally determined contributions;

7. *Invites* Parties, constituted bodies under the Convention and the Paris Agreement, the operating entities of the Financial Mechanism, climate finance institutions, observers and observer organizations, and other stakeholders, particularly from the private sector, to submit their views [on the objective of the deliberations in line with paragraph 5 above, taking into account the elements referred to in paragraph 6 above,][on the [elements]][determination] of the new collective quantified goal [on climate finance], including in relation to the needs of developing countries for implementing the Paris Agreement], via the submission portal¹ by [February][May] 2022 [and September 2022];

8. *Requests* the secretariat to prepare a [compilation and synthesis report on][technical paper on] the submissions referred to in paragraph 7 above for consideration by the [Option 1][Option 2][Option 3];

9. *Agrees* that the deliberations shall be informed by and take into consideration, *inter alia*:

(a) Inputs from Parties, technical bodies and constituted bodies, including their relevant outputs, in particular the biennial assessment of overview of climate finance flows and the report on the determination of the needs of developing country parties related to implementing the Convention and the Paris Agreement of the Standing Committee on Finance, as well as inputs received through relevant processes under the Convention, including experience gained in implementing the Convention;

(b) The best available scientific information, including the findings of the Intergovernmental Panel on Climate Change;

(c) The long-term, sustainable finance needed to support systematic observation, including through implementing and operating the Global Basic Observing Network, in order to provide the scientific basis for adaptation implementation, supported by the Systematic Observations Financing Facility in small island developing States and the least developed countries in particular;

¹ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

(d) Information from other relevant intergovernmental processes and insights from the business and research communities and from civil society;

(e) Information from Parties, particularly information related to the needs of developing countries;

(f) Other technical reports by the secretariat and other independent organisations/observers;

10. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraphs X and X above;

11. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources;

12. *Decides* to conclude its [technical] deliberations on the new collective quantified goal [on climate finance] in [2022 with a view to concluding its overall deliberations in 2023][2023, with a view to concluding its overall deliberations in 2024][2024].

Annex I: Terms of Reference for Option 1

1. The Ad Hoc Committee will have two Co-Chairs, one from a developing country Party and one from a developed country Party.
2. The Ad Hoc Committee shall have [xxx] members, with [xx] members from developed country Parties and [xxx] members from developing country Parties, as follows:
 - (a) [xx] members from Africa;
 - (b) [xx] members from Asia-Pacific;
 - (c) [xx] members from Latin America and the Caribbean;
 - (d) [xx] members from small island developing States;
 - (e) [xx] members from the least developed countries.
3. The secretariat, in consultation with the current and incoming Presidencies of the Conference of the Parties, shall convene the initial meeting of the Committee no later than in March 2022 with a view to the Committee holding at least two in-person meetings per year in addition to those to be held in conjunction with the annual sessions of the subsidiary bodies.
4. In conducting its work, the Committee shall, *inter alia*:
 - (a) Convene its first meeting by March 2022;
 - (b) Encourage input from all Parties and from relevant constituted bodies under the Convention and the Paris Agreement, international organizations and observers;
 - (c) Hold regional consultations in developing countries and developed countries;
 - (d) Hold a technical examination process on climate finance in 2022;
 - (e) Take into account the findings contained in relevant reports of the constituted bodies and the Intergovernmental Panel on Climate Change;
 - (f) Maintain regular consultations and be informed by the work of other constituted bodies, in particular the Standing Committee on Finance, as well as United Nations agencies, climate finance experts, academic institutions and civil society organizations;
 - (g) Ensure its meetings are open to observers and are webcast.
5. The meetings of the Committee shall be funded by the Trust Fund for the Core Budget of the UNFCCC.

Annex II: Terms of Reference for Option 2

1. The current and incoming Presidencies of the Conference of the Parties are invited to appoint two Co-Chairs, one from a developing country Party and one from a developed country Party, to facilitate the Ad Hoc Working Group on the New Collective Quantified Goal [on Climate Finance] under the Paris Agreement (hereinafter referred to as the Ad Hoc Working Group).

2. In conducting its work, the Ad Hoc Working Group shall, *inter alia*:

(a) Start its work and convene its first meeting during the first quarter of 2022 and hold at least four in-person meetings per year, with two of these meetings to be held in conjunction with the sessions of the subsidiary bodies and the Conference of the Parties, respectively;

(b) Report annually to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement on the progress of its work, including by developing technical recommendations, and summaries from the expert meetings referred to in paragraph 3 of this decision;

(c) Call for inputs from all Parties and from relevant constituted international organizations and observers;

(d) Hold regional consultations in developed countries and developing countries;

(e) Take into account the findings contained in relevant reports of the constituted bodies and the Intergovernmental Panel on Climate Change;

(f) Ensure its meetings are open to significant participation of observers and that the meetings are webcast;

(g) Take into consideration the submissions referred to in paragraph 7 of this decision in preparing its workplan;

(h) Complete its work, specifically producing the new collective quantified goal [on climate finance], no later than the end of 2023 [2024], and present the outcome of its work to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for consideration and adoption at its fifth session (November 2023) [2024].
