

Submission to CMA 4*

VIEWS ON THE NEW COLLECTIVE QUANTIFIED GOAL AS SPECIFIED IN PARAS. 15 AND 16 OF DECISION 9/CMA.3

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OCP and ecbi welcome the opportunity to submit their views on the new collective quantified goal on climate finance in line with decision 9/CMA.3 paragraph 15 and on the elements referred to in paragraph 16 of that decision via the submission portal.

A new collective quantified public-sector goal on adaptation grant finance

OCP and ecbi believe progress on a new goal is more likely if we hold discussions on each of the finance-related elements of the Paris Agreement. One stream of these discussions should aim at securing **a new, collective, and quantified public-sector goal on adaptation grant finance.**

Parties to the Paris Agreement decided that the new collective quantified goal will contribute to achieving the three goals listed in Article 2 paragraph 1 (a) to (c): the long-term temperature goal of the Paris Agreement; enhancing adaptive capacities, climate resilience and low greenhouse gas emissions development; as well as making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. The decision reflects the inter-connectivity and mutual complementarity of these goals.

The path to achieving the first goal on mitigating climate change (through a long-term temperature goal) is further outlined in Articles 4 to 6 of the Paris Agreement, the second (adaptation) in Article 7, and the third, finance, in Article 9. In this context, the Paris Agreement (in Article 9 paragraphs 1 and 4) distinguishes between finance for mitigation and adaptation purposes stipulates that “provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation”. This has not been achieved and has long been recognized as an absolute priority for developing countries. Indeed, the lack of adaptation funding remains a key issue in the multilateral climate change process. This is, again, highlighted in the Adaptation Finance section of the CMA decision of the Glasgow Climate Pact which, *inter alia*:

- *Notes* with concern that the current provision of climate finance for adaptation remains insufficient to respond to worsening climate change impacts in developing country Parties (in paragraph 14 of the CMA decision);
- *Urges* developed country Parties to urgently and significantly scale up their provision of climate finance, technology transfer and capacity-building for adaptation so as to respond to the needs of developing country Parties (paragraph 15); and
- *Recognizes* the importance of the adequacy and predictability of adaptation finance (paragraph 16).

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See also: Benito Müller, “[The New Collective Quantified Goal on Climate Finance](#)”, OCP blog, 14/1/2022.

Parties should, therefore, break-down their new collective quantified goal by specifying a separate **Collective Quantified Public-sector Goal on Adaptation Grant Finance**. By urging developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025 (paragraph 18 of the CMA decision) parties have already taken the first step in this direction. Identifying a specific goal for adaptation grant finance from public sources would help to address two long-standing key demands by developing country Parties, namely for more predictable financial resources and for increased funding for adaptation.

A separate goal on adaptation finance could also be an important element in the operationalization of the Global Goal on Adaptation (GGA) in Article 7 of the Paris Agreement. Article 7 paragraph 3 provides that “the adaptation efforts of developing country Parties shall be recognized”. However, without specific financial and other support to enable and strengthen these efforts, particularly those that are conditional on it, the GGA will not be able to live up to its true potential.

Political feasibility

It is well known that US Secretary of State Hillary Clinton, on arrival at COP in Copenhagen (17 December 2009), announced that “*the United States is prepared to work with other countries toward a goal of jointly mobilizing \$100 billion a year by 2020 to address the climate change needs of developing countries. We expect this funding will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance.*”¹

What is less well known is that the US\$100 billion goal per annum was actually first mooted by UK Prime Minister Gordon Brown in his ‘[Roadmap to Copenhagen](#)’ speech (London Zoo, 26 June 2009). While acknowledging the importance of the private sector and carbon markets, Brown emphasised that “...*public finance will also be needed. So I want to propose a new international partnership on public finance for climate change*”. This partnership was to be governed by four principles: equity, additionality, shared governance, and predictability.²

In short, there is a precedent to the idea of a significant collective goal for public sector climate funding primarily aimed at adaptation. Moreover, it was mooted by a large developed country, which suggests that the idea could be politically feasible.

Defining adaptation finance

To understand and respond effectively to the needs and priorities of developing countries and to track progress towards achievement of the collective finance goal, it is key to develop a common understanding of what constitutes climate finance. Adopting any collective **quantified** goal in the absence of an agreement on what is to be counted as contributions will almost inevitably lead to disputes on whether the goal has been achieved or not.

To date, parties have not been able to agree on a definition for climate finance and some even hold that one definition would not be useful. The range of topics listed in paragraph 16 (including quantity, quality, scope and access features or sources of funding) reflect some of the challenges associated with finding a suitable overall description.

To start with, it may be helpful to focus on certain types of financial flows where there is already general agreement that they constitute a form of adaptation finance, such as the financial support for adaptation delivered through the Financial Mechanism of the Convention and the Paris Agreement, and more specifically the Adaptation Fund. The relevant multilaterally agreed criteria could be applied to other financial flows and form the basis for reaching a generally acceptable definition.

¹ See: 2009-2017.state.gov.

² For a summary of these principles, see [here](#).