



15 October 2024

Eleventh technical expert dialogue under the ad hoc work programme on the new collective quantified goal on climate finance

Summary note

I. Introduction

A. Mandate

1. The Conference of the Parties decided that, prior to 2025, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) shall set a new collective quantified goal on climate finance (NCQG) from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries.¹

2. CMA 1 decided to initiate at its third session deliberations on setting the NCQG, in accordance with Article 9, paragraph 3, of the Paris Agreement, from a floor of USD 100 billion per year in the context of meaningful mitigation actions and transparency of implementation and taking into account the needs and priorities of developing countries, and agreed to consider in those deliberations the aim of strengthening the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.²

3. CMA 3 established an ad hoc work programme on the NCQG for 2022–2024 and decided to conduct four technical expert dialogues (TEDs) per year thereunder.³ CMA 4 acknowledged the need to significantly strengthen the ad hoc work programme in the light of the urgency of scaling up climate action with a view to achieving meaningful outcomes from the deliberations on all elements and setting the NCQG in 2024 taking into account the needs and priorities of developing countries.⁴

4. CMA 5 decided to transition to a mode of work that enables the development of a draft negotiating text on the NCQG for consideration at CMA 6 and requested the co-chairs of the ad hoc work programme to develop and publish by March 2024 a workplan for 2024 taking into account submissions from Parties.⁵ The CMA also

¹ Decision 1/CP.21, para. 53.

² Decision 14/CMA.1.

³ Decision 9/CMA.3, paras. 3 and 5.

⁴ Decision 5/CMA.4, para. 8.

⁵ Decision 8/CMA.5, para. 1. The 2024 workplan is available at <https://unfccc.int/documents/637635>.

decided to conduct at least three TEDs in 2024 to allow for in-depth technical discussions on the elements of the NCQG, to be held back-to-back with three meetings under the ad hoc work programme to enable Parties to engage in developing the substantive framework for a draft negotiating text, capturing progress made.⁶

5. It requested the co-chairs of the ad hoc work programme to prepare a summary of the discussions at each technical expert dialogue and information on progress made at each meeting under the ad hoc work programme and the way forward following each meeting.⁷

B. Details and objective of the dialogue

6. TED 11 was held on the 11th and 12th September 2024, hosted by the incoming COP 29 Presidency at the Heydar Aliyev Centre in Baku, Azerbaijan. The objective of TED 11 was to advance technical discussions on key issues and interlinkages on the elements of the NCQG by clarifying and discussing questions and options that arise during the third meeting.

C. Preparatory activities

7. Ahead of TED 11, the co-chairs of the ad hoc work programme, Zaheer Fakir and Fiona Gilbert invited Parties and non-Party stakeholders⁸ to submit views on TED 11, including suggestions for topics and the format. Also, the co-chairs indicated their availability for bilateral consultations upon the request of interested Parties or groups of Parties to hear their views on and expectations for TED 11.

8. Furthermore, based on the views expressed through-out the course of the ad hoc work programme, including those expressed during the second meeting and written inputs made intersessionally, the co-chairs made available an updated input paper⁹ prior to the third meeting under the ad hoc work programme.

D. Proceedings of the dialogue

9. TED 11 was scheduled back-to-back with the third meeting under the ad hoc work programme and was opened by the co-chairs of the ad hoc work programme, Zaheer Fakir and Fiona Gilbert. The co-chairs welcomed the discussions at the third meeting of the ad hoc work programme and highlighted that the TED 11 will build on those discussions.

10. To facilitate interactive and outcome-oriented discussions, participants identified and discussed in breakout groups, solutions for translating ideas expressed into the substantive framework for a draft negotiating text, based on the updated input paper, focusing on the sections context (presented in section B of the input paper); access; calls for action/channels/enablers/policy layers and transparency arrangements.

⁶ Decision 8/CMA.5, paras. 9 and 10.

⁷ Decision 8/CMA.5, para. 12(d).

⁸ See

https://unfccc.int/sites/default/files/resource/Notification_TED11_3rdmeeting_Parties.pdf.

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

11. Following the breakout group discussions, sufficient time was provided for participants to report back to the plenary on the identified solutions. The report-back session was followed by an open discussion among all participants.

12. Daniele Violetti, UNFCCC Secretariat and Samir Bejanov, Deputy Chief Negotiator of the incoming COP 29 Presidency delivered closing remarks. The co-chairs outlined the next steps leading to COP 29 which include preparing a summary note of the discussions at TED 11 and preparing annual report, including the substantive framework for a draft negotiating text for consideration by CMA 6.

13. More information on TED 11, including the programme, presentation slides and webcast, is available on the dedicated UNFCCC web page.¹⁰

II. Summary of discussions

14. The eleventh technical expert dialogue was aimed at advancing technical discussions on key issues and interlinkages related to the elements of the NCQG by clarifying options that emerged during the third meeting under the ad hoc work programme.

A. Context

15. There was broad agreement among participants that the section on context in the updated input paper was in need of streamlining. They agreed that it should serve a scene-setting purpose, laying the foundation for the operational paragraphs that follow. Participants identified the following themes to be included:

(a) Recognition of the circumstances of developing countries, highlighting the challenges faced by them such as fiscal constraints, high costs of capital, a high level of indebtedness, high transaction costs, indiscriminate assumptions of corruption, unilateral trade measures and capacity constraints;

(b) Recognition of the needs and priorities of developing countries, including the special needs and circumstances of the LDCs and SIDS;

(c) Acknowledgement of scientific findings, particularly those of the Intergovernmental Panel on Climate Change;

(d) Reference to the USD 100 billion goal and lessons learned thereon.

16. There was also a discussion on the principles underlying climate finance, where participants emphasized the importance of reflecting the principles of common but differentiated responsibilities and respective capabilities, equity and justice, as well as the right to development. Participants also discussed evolving capabilities and responsibilities of countries, as well as the need for just transition. Some participants suggested that Article 2 of the Paris Agreement should serve as an overall framework for the NCQG, and that the context section could therefore reiterate Article 2.

17. The discussions highlighted several critical aspects of the context section of the updated input paper requiring refining, which were addressed by improving its structure and using language that is consistent with decision [8/CMA.5](#). Participants recognized that the context section needs to articulate a distinct purpose and be structured such that technical and political issues are clearly distinguished. They noted that the updated input paper switches between preambular and operational language, leading to confusion. Participants suggested that a unified approach is

¹⁰ <https://unfccc.int/event/eleventh-technical-expert-dialogue-and-third-meeting-under-the-ad-hoc-work-programme-on-the-new>

needed to avoid mixed messages regarding the intention of the various sections of the paper. They also suggested that operational paragraphs should not be included in the section on context, but rather in the operational parts of the paper.

18. Participants emphasized the importance of reiterating the urgency for increasing collective mitigation and adaptation ambition to meet the goals of the Paris Agreement, while underscoring the need to provide support to developing countries to enable them to meet those goals. Participants also called for the context to reflect the challenges faced by developing countries, in particular the LDCs and SIDS, in accessing climate finance, and to emphasize the importance of grant-based financing and other instruments that create fiscal space.

19. Participants also discussed the potential merging of the sections on the preamble and context, particularly for addressing challenges that the NCQG is aimed at solving. Some participants noted that key scene-setting elements could later be included as operational paragraphs in the text, such as those relating to access challenges (including addressing them by calling for action and providing guidance to actors), gender-responsiveness and Indigenous Peoples' needs. Several participants expressed concern over the length of the decision setting the NCQG, advocating for a comprehensive yet concise text.

20. Many participants stressed the importance of recognizing the interlinkages between various aspects of climate action, including the relationship between inaction on mitigation and adaptation and the resulting loss and damage.

B. Access to climate finance

21. Participants broadly agreed that ensuring equitable, efficient and transparent access to climate finance is critical for achieving global climate goals. There was broad consensus on the need to streamline processes relating to access across all climate finance entities.

22. Participants stressed the need to address systemic barriers to accessing climate finance, such as high transaction costs or high costs of capital, which were frequently cited as a challenge for developing countries, including the LDCs and SIDS, owing to complex access procedures and lengthy approval timelines, among others. There was general consensus that the NCQG should not create an additional burden on developing countries. Participants therefore also stressed the need to prioritize grants over loans when providing finance for adaptation and responding to loss and damage, highlighting the issues faced by developing countries in securing financing for adaptation projects. In a further effort to reduce timelines for both project approval and disbursement of funds, participants called for more emphasis on direct access modalities, whereby developing countries can bypass intermediaries and receive funding directly. There was also a suggestion to establish a dedicated body to assess, review and monitor the effectiveness of efforts to enhance access as well as to encourage developing countries to report on their experience with a view to improving access to climate finance.

23. During the discussion, participants underscored the importance of both the demand and the supply sides of access and recognized the need for harmonizing the approval process across financial institutions to reduce the administrative burden. Participants also emphasized that standardization and simplification of access modalities and procedures, including requirements, reduces the timelines for both project approval and disbursement of funds.

24. Participants also underscored the importance of capacity-building, particularly for enhancing access to climate finance. Participants highlighted the need for a robust capacity-building framework, which should encompass institutional capacity-building and be aimed at fostering national ownership of climate initiatives. There was broad consensus on the need for a paragraph in the decision setting the NCQG on capacity-building for leading climate finance efforts, addressing the needs of vulnerable groups, including women, youth, local communities and Indigenous Peoples when enhancing capacity-building.

25. There was also a discussion on the interconnectedness of eligibility and access, where some participants stressed that all developing countries should be eligible for climate finance, considering their varying capacities and scales of needs. However, other participants suggested narrowing the pool of eligible recipient countries and linking access to mitigation finance to ambitious actions and linking access to adaptation finance to a country's level of vulnerability.

C. Calls for action, channels, enablers and policy layers

26. Participants noted the interrelated nature of access, enablers and transparency and stressed that articulating these connections more explicitly could enhance clarity and cohesiveness of the document. There was agreement that the links between access and challenges faced by developing countries such as high levels of indebtedness and high capital costs should be highlighted.

27. Some participants were of the view that clear, actionable calls to stakeholders are essential to driving momentum towards achieving climate goals. Participants stressed the need for ensuring that the calls address the varied roles of different actors, ranging from developed countries to multilateral institutions and private sector entities. Some participants highlighted the importance of recognizing regional distinctions in the calls for action, particularly given the unique challenges faced by the LDCs and SIDS. They emphasized the need to use language in such calls that not only inspires action but also clearly specifies responsibilities and expected outcomes.

28. Participants noted that, while multilateral channels are critical, the significance of bilateral sources cannot be overlooked, as they often represent the majority of funding. A recurring theme was the desire for a structured framework that categorizes these channels distinctly, enabling stakeholders to navigate the complexities of financing more effectively. The suggestions in this regard include enhanced collaboration among providers of finance through multilateral and bilateral channels to ensure that resources are allocated efficiently, addressing both immediate needs and long-term sustainability goals.

29. There was broad consensus that a prescriptive list of financing channels should be avoided and that the focus should instead be on creating opportunities for financing through innovative instruments. Participants noted that some paragraphs in the section of the updated input paper on channels may not directly pertain to channels and could therefore be moved elsewhere within the paper.

30. Participants also discussed enablers and disablers of climate finance, suggesting the need to clarify the difference between enabling and disabling factors using language that neither prescribes overly rigid rules nor remains vague. Participants recognized that practical enablers, such as capacity-building initiatives, technical assistance and streamlined application processes, are essential to facilitating effective engagement of developing countries with funding sources. There was also a shared understanding that enablers must be tailored to the specific contexts of different countries and regions and take into account varying levels of

development and institutional capacity. Some participants supported the identification and dissemination of best practices, enabling countries to learn from each other and adopt strategies that have proven to be successful in overcoming barriers to finance. Participants emphasized the importance of technology development and transfer and of capacity-building, particularly for adaptation and for responding to loss and damage, as enablers and stressed the need to call for scaled-up support for technology development and transfer and capacity-building, with an emphasis on the needs of vulnerable groups and regional actors.

31. In the discussion on disenablers of climate finance, participants highlighted the need to clearly define what constitutes a disabler and identify the implications of disenablers in accessing climate finance. There was a call for restructuring the relevant section of the updated input paper and a proposal to reframe its chapeau paragraph and add a separate operative paragraph presenting a clear framework for addressing the challenges relating to disenablers and exploring specific disabling factors in detail.

32. Participants stressed the need for coherence among existing policies at the local, national and international level to foster a supportive environment for climate finance. The integration of climate finance considerations into broader development policies was highlighted as a critical step towards ensuring that climate goals are mainstreamed across all sectors. Furthermore, there was consensus on the importance of aligning policies with the Paris Agreement and other international commitments to create a unified framework for guiding climate action.

33. Some participants suggested integrating broader policy elements such as gender and MDB reform into the framework, recognizing the role of debt sustainability within the policy layer and highlighting the need for fit-for-purpose financing instruments and long-term finance structures that do not contribute to debt crises. Some participants highlighted that MDB reform should be reinforced, with specific roles assigned to MDBs in providing concessional finance, especially for adaptation. There was a suggestion to consolidate the paragraphs on macroeconomic policies, fiscal policies, enabling environments and fossil fuel phase-out to provide a cohesive list of key policies that could be tailored to the contexts of specific actors.

34. Participants called for a holistic approach that considers these interdependencies, advocating for clear, actionable recommendations that can drive progress in climate finance.

D. Transparency arrangements

35. This discussion revolved around the importance of a robust, transparent and comprehensive mechanism for monitoring and reporting on progress towards achieving the NCQG, one that takes into account the lessons learned from the USD 100 billion goal. This mechanism would strengthen transparency, accuracy, completeness, consistency, comparability and accountability, thereby fostering trust among all Parties involved in the NCQG, in line with the principles of the ETF. In this context, participants emphasized the need for a clear and consistent definition of climate finance, or at a minimum a reference to the operational definition of climate finance of the SCF, including standardized accounting methodologies for climate finance. Some participants highlighted the importance of defining both what is included in (positive definition) and what is excluded from (negative definition) climate finance to provide clarity on what should be reported.

36. Participants discussed key concepts such as additionality, grant equivalence, and the inclusion or exclusion of specific finance sources and financial instruments such as loans provided at market rates, domestic finance and export credits. Furthermore, some participants highlighted the roles and responsibilities of Parties in delivering climate finance under the NCQG, stressing that non-Party stakeholders, while valuable contributors, are not Parties to the Paris Agreement and therefore are not accountable under it. Accountability mechanisms must therefore focus on Party commitments and ensure that responsibilities for the provision and mobilization of climate finance are clearly defined.

37. There was a point of contention among participants on the mechanism for monitoring and reporting on progress towards achieving the NCQG. Some participants stressed the need for collective tracking, allowing for global assessment of progress, while others expressed concerns that collective tracking could dilute individual accountability. However, there was recognition of the need for greater clarity on what is meant by ‘collective’ responsibility in the context of climate finance pertaining to both tracking and accountability. Participants also called for clear definitions, especially of concessionality and collective measurement, to ensure a common understanding and avoid ambiguity.

38. There was broad consensus that transparency arrangements for the NCQG should build on existing mechanisms, particularly the ETF, which provides a good foundation for tracking both quantitative and qualitative elements of the goal. There was also a recognition of the need to revise the ETF in the future to capture additional information that may not be fully reflected in its current structure, particularly with regard to qualitative aspects of the goal such as enhancing access. Participants also discussed transparency-related options, including whether there should be annual or biennial tracking of climate finance flows. While the ETF allows for biennial reporting, some participants advocated for more frequent reporting or the provision of updates to ensure a better understanding of trends in finance flows, particularly in terms of access and quality. There was also a bridging proposal for intermediate reporting to provide qualitative updates while awaiting the submission of more comprehensive biennial reports.

39. Participants also highlighted the potential role of the SCF in aggregating financial information and developing a periodic progress report that would help to track climate finance flows. The report could be either a stand-alone document or integrated within the biennial assessment and overview of climate finance flows of the SCF. Participants highlighted the need for Parties to use consistent data sources to ensure comparability and accuracy of the data to be tracked. Given the complexity of the issues involved, it was recognized that the SBSTA could be mandated to resolve some technical aspects relating to transparency of the NCQG, such as revising the ETF to include qualitative aspects, determining how to integrate new data sources, and defining terms and concepts relevant to tracking climate finance.

40. In addition, participants highlighted the need for the framework to address gaps in current tracking mechanisms, particularly regarding access to finance, equity in the distribution of climate finance and the impact of climate finance in order to ensure that both financial and non-financial contributions under the NCQG are adequately accounted for.

41. Gender-responsive finance was a point of discussion among participants, both in relation to the respective paragraphs of the updated input paper and in reference to the 2024 SCF Forum on accelerating climate action and resilience through gender-responsive financing.¹¹ Some participants noted the importance of an explicit mandate in the decision setting the NCQG for tracking gender-

¹¹ See <https://unfccc.int/2024-SCF-Forum>.

responsiveness and the needs of Indigenous Peoples and local communities in relation to climate finance over time, noting that the ETF does not cover these areas.
