Compilation and synthesis of inputs on the seventh technical expert dialogue under the ad hoc work programme on the new collective quantified goal on climate finance

I. Introduction

A. Mandate

1. The Conference of the Parties decided that, in accordance with Article 9, paragraph 3, of the Paris Agreement and prior to 2025, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) will 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 requested the co-chairs of the ad hoc work programme, with a view to significantly advancing substantive progress in 2023, to invite 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 inputs via the submission portal on each TED to be held, on the basis of guiding questions, well in advance of each dialogue to allow for the inputs to be reflected in the organization of the dialogues.\(^4\)

4. CMA 4 also requested the co-chairs of the ad hoc work programme to develop and publish by March 2023 a workplan for 2023,\(^5\) including themes for the TEDs to be held that year, and invited Parties to submit views on the issues to be addressed as part of the workplan.\(^6\)

\(^1\) 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. 11(b).
\(^5\) Available at https://unfccc.int/documents/627534.
\(^6\) Decision 5/CMA.4, paras. 11(a) and 12.
B. Background

5. The co-chairs of the ad hoc work programme provided Parties and observers with the following set of questions to guide the inputs on TED 7:

   (a) What specific issues should be proposed for in-depth discussion at TED 7 with a view to identifying clear options regarding:
      (i) The qualitative scope of the goal; and
      (ii) The transparency arrangements under the NCQG;
   (b) What should be the format of TED 7?

6. In addition, the co-chairs expressed their availability for bilateral consultations upon request by interested Parties or groups of Parties to hear their views on and expectations for TED 7.

C. Scope

7. This compilation and synthesis summarizes the inputs received on TED 7, to be held from 30 September to 2 October 2023 in Geneva, Switzerland, on the basis of the above-mentioned guiding questions. It takes into account written submissions from Parties and non-Party stakeholders and oral inputs provided by Parties to the co-chairs in the bilateral consultations.

8. A total of 16 submissions had been received as at 13 September 2023 (see the annex for a list).

9. This document provides an overview of the inputs on the organization of TED 7, including on the proposed topics and subtopics, as well as rationale for the proposals and possible guiding questions, and on expected outcomes and outputs of the discussions. It then summarizes the views on the format of the dialogue, covering, inter alia, stakeholder participation, organization of the dialogue and use of resource persons.

II. Inputs on the seventh technical expert dialogue

A. Topics and subtopics

1. Qualitative scope of the goal

10. All submissions acknowledged the importance of qualitative elements of the NCQG. Some submissions referred to the discussion on quantum at TED 6, where the need for further reflection on the qualitative features of the NCQG was emphasized. Some submissions noted the importance of further technical discussion on qualitative aspects of climate finance, including financial modalities and instruments, sources and channels, effective provision and mobilization, as well as thematic and geographical distribution, for addressing the climate action needs and priorities of developing countries.

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7 The co-chairs’ message from 23 June 2023 is available at [https://unfccc.int/documents/630363](https://unfccc.int/documents/630363).
8 Parties and groups of Parties expressed interest in bilateral consultations, which were convened in June and September 2023.
11. Some submissions emphasized that the NCQG should take into account the needs and priorities of developing countries. This includes considering tools and processes that enable developing countries to communicate their priorities, including meeting technology needs, achieving carbon neutrality, investing in climate resilience and creating enabling environments. Some submissions suggested that the NCQG should focus on the extent to which climate finance is provided and mobilized for addressing the specific needs and priorities of developing countries taking into account the broader context of sustainable development, poverty eradication and just transition.

12. Some submissions highlighted enhancing access to climate finance as a critical component of the NCQG, especially for vulnerable and capacity-constrained countries. Some submissions envisioned the NCQG to focus on harmonizing and streamlining access procedures, approvals of the funding proposal and fund disbursement, including through simplified access modalities and accreditation of national agencies. According to the submissions, discussions at TED 7 should centre on ways to expand and accelerate access to climate finance for scaling up climate action effectively and equitably while ensuring that access features are adaptable to different sources and channels of finance.

13. Few submissions noted that the qualitative scope of the NCQG should encompass various aspect of financial flow, with the core commitment being public climate finance from developed to developing countries. Some submissions suggested that the technical discussions at TED 7 should focus on how the NCQG can be designed and implemented to effectively address the evolving needs and priorities of developing countries, noting the dynamic nature of those needs, while improving the overall quality and impact of climate finance. Many submissions underscored that the financial modalities and instruments provided under the NCQG should be consistent with the needs of developing countries, such as grants and concessional loans, with the possibility of using additional instruments to respond to those needs. Some submissions indicated that the focus should be on scaling up grant-based finance and concessional loans for adaptation and addressing loss and damage.

14. Debt issues and debt relief in the context of climate finance and the NCQG were mentioned in many submissions, including the need to prevent climate finance from exacerbating the debt burden on developing countries. The submissions emphasized that the qualitative scope of the NCQG should encompass consideration of climate finance and its impact on debt levels, with a particular focus on climate finance provided for adaptation and addressing loss and damage, with the aim of ensuring that climate finance does not compound the debt-related challenges faced by the countries. The submissions stressed that the discussions at TED 7 should explore ways to promote the provision of grants over loans for different areas of climate action, address debt crises and establish a multilateral debt resolution process led by the United Nations to break the cycle of escalating debt and climate crises in developing countries. Additionally, debt-for-nature swaps were suggested as a means to provide debt relief and support climate projects in debt-burdened countries.

15. Discussions on different global efforts to effectively reflect and address elements as part of the NCQG outcome were highlighted in the submissions. Some submissions emphasized that good practices in terms of the design and quality of finance provided, such as instruments that can preserve fiscal space while enabling climate action in developing countries, should be supported. A few submissions pointed out the global nature of the NCQG in relation to Article 9, paragraph 3, of the Paris Agreement. Other submissions underscored the necessity of broadening the contributor base to climate finance and for mobilization from all available sources, particularly from the private and financial sectors. In this regard, in some submissions it was argued that leveraging finance from sources outside the UNFCCC, such as multilateral development banks, should be considered, while aiming to establish quality standards aligned with the principles of the Convention and the Paris Agreement. The
importance of ensuring accountability among contributors as part of a collective effort to combat climate change on a global scale was highlighted.

16. Some submissions highlighted the need for climate finance to be targeted effectively to support low greenhouse gas emissions and climate-resilient development through country-driven strategies that encompass enabling environments, effective governance structures and strategic plans. The submissions indicated a range of financial tools, such as guarantees and equities, that are required to unlock private finance’s potential while ensuring the efficient use of public climate finance, especially for the most vulnerable countries and communities. The need for instruments that align with the needs and priorities of developing countries was underscored, which should minimize the impact on developing countries’ debt levels and encompass suitable instruments and concessional modalities, excluding official development assistance as counted climate finance. In this regard, few submissions noted that the discussions at TED 7 should explore how to effectively address issues related to climate finance modalities and instruments, recognizing that some relevant processes are taking place outside the UNFCCC.

17. Some submissions suggested that the NCQG should be set within the broader context of the Paris Agreement, with due consideration of Article 9 of the Paris Agreement, as well as Articles 4 and 11 of the Convention. Some other submissions stressed that setting the NCQG should play a role in expediting implementation of Article 2 of the Paris Agreement, aligning with the ambitious long-term goals of the Paris Agreement. Some submissions indicated that discussions at TED 7 should cover elements relating to Article 2, paragraph 1(c), of the Paris Agreement and how they can be integrated into the NCQG. Some submissions highlighted the alignment with just transition standards, emphasizing the importance of considering social and economic aspects when transitioning to sustainable practices.

18. Some submissions emphasized the need to engage local actors, including the private sector, in climate finance governance and decision-making processes to enhance effectiveness and thereby foster a deeper understanding of opportunities for effective delivery and alignment of financial flows with low-carbon, climate-resilient development pathways.

19. Some submissions emphasized the importance of support for and commitment to taking into account the needs and priorities of vulnerable and capacity-constrained countries and communities. Some submissions indicated that climate finance should adhere to quality criteria, which may include ensuring country ownership, strengthening national systems, reducing fragmentation, promoting inclusive decision-making, and enhancing transparency and mutual accountability.

20. Some submissions mentioned aligning the NCQG with other goals and processes under the UNFCCC, including the global goal on adaptation and addressing loss and damage, while taking into account cross-cutting efforts, such as capacity-building and creating enabling environments.

2. Transparency arrangements under the new goal

21. All submissions acknowledged the importance of transparency arrangements for tracking progress towards the achievement of the new goal, emphasizing the need for clear reporting, accountability and periodic reviews to support climate action and build trust. Many submissions proposed focusing technical discussions at TED 7 on reporting modalities. This includes defining climate finance, identifying contributing actors, determining information to be tracked, defining key themes, addressing methodological issues in accounting and assessment, identifying reporting actors and establishing review cycles.

22. Many submissions acknowledged the significance of the enhanced transparency framework (ETF) in facilitating effective reporting and tracking of finance flows in relation
to progress towards the new goal. The submissions recognized the significance of reporting information related to support needed and received by developing countries, including quantitative and qualitative elements. While some submissions indicated the ETF as a suitable tool for reporting and monitoring climate finance provided and mobilized, and measuring its effectiveness and efficiency, other submissions suggested that there should be further technical discussion on the definition and methodological aspects of climate finance. This would involve clarifying definitions, addressing accounting concerns and ensuring explicit reporting of information related to multilateral climate-specific finance and private finance mobilized through public funds. Some submissions suggested that TED 7 should include discussion on both qualitative and quantitative elements of the NCQG, such as grant equivalence of non-grant instruments, measuring the effectiveness and efficiency of climate finance, and defining public and private finance.

23. Few submissions highlighted significant information gaps in terms of the quality of disaggregated data necessary to effectively track and evaluate the flow of finances in the context of the NCQG. These gaps include the need for transparent reporting and tracking of financial flows, methodologies for accounting and reporting, and information on the avoidance of double counting in climate finance reporting. The same submission suggested that various aspects of the transparency arrangements under the NCQG should be covered at TED 7, including leveraging existing frameworks, addressing information gaps, methodological considerations, responsibilities for monitoring and reporting, information dissemination and reporting timelines.

24. Some submissions recommended reflecting on modalities to report both ex ante and ex post climate finance impact assessments, providing insights into the correlation between projects, actors, resources and frameworks, and facilitating the replication of successful projects and collaboration. Some submissions indicated that voluntary reporting, on implementing actors that receive funding for climate projects (public entities, private companies, non-governmental organizations and other stakeholders), as well as on the total amounts contributed by external contributors, has the potential to lead to replication of successful climate projects and collaboration.

25. Some submissions encouraged a participatory approach to developing the review process of the new goal, particularly involving civil society representatives, including those representing vulnerable communities. Additionally, submissions called for discussions to identify suitable entities to be responsible for assessing climate finance provision, evaluating its impact and overseeing monitoring, reporting, and compliance within the NCQG framework. While one submission proposed establishing an independent entity for periodic climate finance analysis, others pointed to the existing processes and bodies under the UNFCCC, such as the SCF, as potential means to enhance the aggregation of climate finance data within the reports on the biennial assessment and overview of climate finance flows. Some submissions recommended compiling additional information on financial support from sources like the Organisation for Economic Cooperation Development to prevent redundancy, streamline processes and proactively enhance accountability. Furthermore, there were suggestions to harmonize reporting procedures and methodologies across systems responsible for collecting climate finance data with the aim of improving transparency.

26. Some submissions argued that the frequency of reporting for transparency under the NCQG should be harmonized with other reporting cycles under the UNFCCC, such as for nationally determined contributions, the global stocktake and biennial transparency reports. Some submissions emphasized the possibility of leveraging the biennial reports under Article 9, paragraph 5, of the Paris Agreement for forward-looking reporting that reflects the principles of transparency and helps to track additionality and progression in climate finance. Some submissions suggested considering the SCF biennial assessment as an effective structure for monitoring climate finance flows for the transparency arrangements under the NCQG.
27. Some submissions stressed that progress in the achievement of the NCQG should be assessed as part of each global stocktake (from 2028 onward) of the collective achievement of the purpose and long-term goals of the Paris Agreement, as well as opportunities for enhanced action and support, on the basis of the best available science. It was noted that TED 7 presents an ideal platform for defining this linkage, including through discussions on aligning time frames of the new goal to facilitate a comprehensive review and update of the overarching goal and aligning the NCQG reporting timeline with that under other UNFCCC processes. In this regard, it is imperative to establish a connection between the NCQG process and the second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement and the global stocktake.

28. Some submissions highlighted that, while there is no specific UNFCCC process dedicated to addressing Article 2, paragraph 1(c), of the Paris Agreement, the outcomes of the global stocktake are expected to provide essential methodologies, data and indicators for monitoring the progress of implementation of Article 2, paragraph 1(c). The outcomes of the global stocktake could potentially enhance tracking of progress towards the NCQG as well. It was suggested that TED 7 should include identifying the aspects of the NCQG that might undergo review and revision, determining the timeline for such processes, outlining the mechanisms involved, and establishing how these activities can be linked to other processes, such as the global stocktake and the nationally determined contribution process.

29. Some submissions acknowledged the reporting burden on developing countries and therefore suggested discussing the provision of capacity-building support to developing countries. Some submissions emphasized the need to design a framework that enables UNFCCC Parties to voluntarily report their climate investments and policies, providing information on their climate finance contributions. This proposed framework should be considered merely a form of guidance, with an emphasis on minimizing the administrative burden, ensuring that any Party can easily demonstrate their climate action efforts without excessive administrative demands.

B. Format

1. Stakeholders

30. Many submissions reiterated that TED 7 should be innovative, open, transparent and inclusive, allowing for broad and diverse participation among Parties and non-Party stakeholders, especially from academia and private and financial sector institutions. One submission also reiterated the importance of ensuring increased participation of experts from the private sector to ensure that TED 7 contributes to the development of the NCQG in an informed and collaborative way. It was proposed that non-Party stakeholders should not be included in the seat allocation available for Party groups as this could limit the ability of Parties to nominate representatives of stakeholders from the private and financial sectors that have not been sufficiently represented.

31. Another submission proposed that the call for participation be issued well in advance to enable participants to make travel arrangements, including visa applications, in a timely manner.

2. Submissions

32. Few submissions proposed that, ahead of TED 7, a summary of the inputs submitted be captured in a presentation to be prepared by the co-chairs of the ad hoc work programme, highlighting commonalities of views and identifying issues for further discussion to guide the technical work under the ad hoc work programme.
3. **Approach**

33. Some submissions suggested that the TED 7 should continue to provide a space for technical discussion.

34. Two submissions proposed incorporating into TED 7 presentations on the ETF and the guidelines for reporting on support provided and received, as well as an update from the SCF on the development of the biennial assessment. It was suggested that the discussions around qualitative scope and transparency arrangements should centre on the needs, priorities and national circumstances of developing countries, including drawing lessons from the USD 100 billion goal. Furthermore, it was underscored that the discussions should consider the relationship between the periodic review and update of the NCQG and transparency arrangements. Some submissions suggested facilitating a separate panel of experts on the qualitative scope of the NCQG and the transparency arrangements under it, followed by focused exchanges in working groups based on the guiding questions.

35. Some submissions suggested that TED 7 participants be divided into working groups to have focused exchanges on specific topics or elements that require further discussion and are oriented by comprehensible questions that facilitate reaching common ground, identifying areas that require further discussion and agreeing on technical recommendations. It was also suggested to continue the practice of following working groups by open discussion among all participants to ensure discussions remain targeted. Another submission proposed that an additional working group session should focus on how the discussions and options identified at the previous TEDs held this year complement each other, and to start to build on the design and setting of the NCQG. Few submissions suggested rotating the participants in the working groups to allow them to engage with more people.

36. Few submissions proposed including a stocktaking session in the TED 7 programme to identify elements requiring political guidance to be addressed at the 2023 high-level ministerial dialogue on the NCQG on climate finance and CMA 5.

4. **Structure**

37. Some submissions suggested replicating the format of TED 5, where time was divided between presentations, working groups and general discussion.

5. **Resource persons**

38. Few submissions suggested inviting speakers from climate funds under the Financial Mechanism as well as from other international financial institutions (including multilateral development banks, the Organisation for Economic Co-operation and Development and Oxfam) to provide insights into qualitative finance matters and ongoing efforts to be addressed.
Annex

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

The table below lists Parties, groups of Parties and non-Party stakeholders that submitted inputs on the TED 7. The submissions are available on the NCQG webpage.\(^1\)

<table>
<thead>
<tr>
<th>Party/group of Parties/non-Party stakeholder</th>
<th>Date submission received</th>
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<tbody>
<tr>
<td>African Group</td>
<td>13 September 2023</td>
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<tr>
<td>Bolivia (Plurinational State of) on behalf of the Like-minded Developing Countries</td>
<td>11 September 2023</td>
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<td>Canada</td>
<td>8 September 2023</td>
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<td>Care About Climate on behalf of the UNFCCC children and youth constituency</td>
<td>14 August 2023</td>
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<td>Climate Action Network International</td>
<td>21 August 2023</td>
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<td>Eurodad</td>
<td>14 August 2023</td>
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<tr>
<td>Guatemala on behalf of the Independent Association for Latin America and the Caribbean</td>
<td>31 August 2023</td>
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<tr>
<td>Health In Harmony</td>
<td>31 August 2023</td>
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<td>Norway</td>
<td>6 September 2023</td>
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<tr>
<td>Saudi Arabia on behalf of the Arab Group</td>
<td>11 September 2023</td>
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<tr>
<td>Senegal on behalf of the least developed countries</td>
<td>21 August 2023</td>
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<tr>
<td>SouthSouthNorth Africa on behalf of Voices for Just Climate Action</td>
<td>15 August 2023</td>
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<tr>
<td>Spain and the European Commission on behalf of the European Union and its member States</td>
<td>31 July 2023</td>
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<td>UNFCCC constituency of trade union non-govermental organizations</td>
<td>14 August 2023</td>
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<tr>
<td>United Kingdom of Great Britain and Northern Ireland</td>
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