



Compilation and synthesis of inputs on the ninth technical expert dialogue and first meeting 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, 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 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. CMA 5 also invited Parties, constituted bodies under the Convention and the Paris Agreement, the operating entities of the Financial Mechanism, climate finance institutions,

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>.

⁶ Decision 8/CMA.5, paras. 9 and 10.

observers and other stakeholders, including from the private sector, to submit views via the submission portal⁷ in advance of each TED and meeting under the ad hoc work programme.⁸

B. Background

6. On 11 March 2024, the co-chairs of the ad hoc work programme issued a notification⁹ to Parties and observer States to the Convention, the Kyoto Protocol and the Paris Agreement, and United Nations organizations and intergovernmental and non-governmental organizations admitted as observers to submit by 29 March 2024 their views on TED 9 and the first meeting under the ad hoc work programme, to be held from 23 to 26 April 2024 in Cartagena, Colombia,¹⁰ and encouraged Parties and other stakeholders to share ideas for the topics and format of the events.

C. Scope of the report

7. This compilation and synthesis report summarizes the submissions received.

8. As at 12 April 2024, a total of 17 written submissions had been received, of which 3 are from Parties and 14 are from non-Party stakeholders (see the annex).¹¹

9. Submissions cover various elements of the NCQG, including its scope and context, principles, structure, quantitative and qualitative aspects and transparency arrangements, in addition to proposals for discussion topics for TEDs and meetings under the ad hoc work programme. The submissions also provide ideas for engaging formats for TED 9 and the first meeting under the ad hoc work programme, and suggestions for enhancing stakeholder and political engagement during the year.

II. Synthesis of inputs on the ninth technical expert dialogue and first meeting under the ad hoc work programme

A. Elements of the new collective quantified goal on climate finance

1. Scope and context

10. According to one Party submission, Parties should seek to utilize TED 9 and the first meeting under the ad hoc work programme to build on the areas of convergence demonstrated at CMA 5, focusing on shared interests and building trust and momentum towards further agreement. The same Party noted that discussions should seek to converge on the overall scope of the NCQG, incorporating the breadth of Article 9, paragraph 3, of the Paris Agreement, to inform the layers of climate finance considered within the NCQG, ensuring that needs of developing countries are considered.

⁷ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

⁸ Decision 8/CMA.5, para. 14.

⁹ Available at https://unfccc.int/sites/default/files/resource/message_to_parties_from_the_co-chairs_ncqg_ted9.pdf.

¹⁰ Further information on the dialogue and meeting is available at <https://unfccc.int/event/ninth-technical-expert-dialogue-under-the-ad-hoc-work-programme-on-the-new-collective-quantified> and <https://unfccc.int/event/first-meeting-under-the-ad-hoc-work-programme-on-the-new-collective-quantified-goal-on-climate> respectively.

¹¹ The submissions are available at https://unfccc.int/topics/climate-finance/workstreams/NCQG/submissions-from-parties-and-non-party-stakeholders#_24-Submissions-by-Parties-and-non-Party-stakeholders.

11. Furthermore, it was noted in two Party submissions that discussions on the context of the NCQG should consider the long-term goal set out in Article 2, paragraph 1(c), of the Paris Agreement and how the NCQG will contribute to accelerating implementation of Article 2. Specifically, one Party submission noted that discussions should focus on identifying options for the context of the NCQG and means for demonstrating progress towards the context.

12. One Party submission highlighted topics that will require particular consideration at TED 9 and the first meeting under the ad hoc work programme in order to ensure that the substantive framework for a draft negotiating text captures clear options, including, determining the contributor base and recipient base; the relationship between the NCQG and Article 9, paragraph 3, and Article 2, paragraph 1(c), of the Paris Agreement; and the context of the NCQG, in addition to mobilization of climate finance. Another Party submission proposed addressing questions around which finance flows are within the scope of the NCQG, the time frame(s) of the NCQG and whether new transparency arrangements are required. It was pointed out that considering some of these questions at TED 9 would help to resolve issues on quantum, sources of climate finance, reporting, thematic considerations and quality at subsequent TEDs.

13. Several non-Party submissions noted that the NCQG is part of the finance commitment set out in Article 9 of the Paris Agreement, while its implementation should help fulfil the goal under Article 2, paragraph 1(c), by mobilizing and transforming financial systems, making them consistent with low-carbon and climate-resilient development. The NCQG should be specifically designed to maximize mobilization of all forms of finance, not just public funds, and send signals for aligning financial systems with a science-based pathway towards net zero emissions. One submission noted that global financial capital and flows should be made compatible with the Sustainable Development Goals and climate and biodiversity targets. Another stressed the importance of the NCQG in terms of fostering collaboration among all stakeholders at all levels with a view to optimizing their different added values and enhancing complementarities and leverage potential.

14. Non-Party submissions emphasized the following with regard to the scope and principles of the NCQG:

(a) The ambition of the NCQG should be informed by the needs of developing countries, as established through the United Arab Emirates Consensus, the first global stocktake and the nationally determined contributions (NDCs) of developing countries;

(b) The NCQG should contain targeted, effective and balanced climate finance allocations for thematic areas on mitigation, adaptation, and loss and damage, while considering the unique challenges of and financial requirements under each area;

(c) The NCQG should be accessible, needs-based and transparent;

(d) The NCQG should ensure respect for human rights and gender equity. It should safeguard environmental integrity and economic viability for future generations, including through participation of youth and children in decision-making processes.

15. Topics for TED 9 suggested in non-Party submissions include quantum of the NCQG in the light of rigorous analysis of climate finance needs; composition of finance provision under the NCQG, with a particular focus on the role of debt; and the relationship between the NCQG and multilateral development banks (MDBs).

2. Structure

16. Many non-Party submissions contained proposals for the structure of the NCQG, including a general outline and core concepts, which cover principles, quantitative and qualitative goals, sources and instruments, transparency provisions and review modalities.

17. Public finance is at the heart of the NCQG, whereby the financial resources provided would be new and additional, and go beyond overseas development aid, with respect to

Article 9, paragraphs 1 and 3, of the Paris Agreement. Additionally, some non-Party submissions referred to thematic subgoals on mitigation, adaptation, and loss and damage.

18. One non-Party submission elucidated the notion of a main goal that considers the needs of developing countries and is based on public resources, primarily in the form of grants, accompanied by a complementary goal that incorporates mobilization of finance, including private finance.

19. Some non-Party submissions envisioned a multi-layered approach that moves beyond the idea of public finance from a limited number of providers and towards a pathway for mobilizing trillions of United States dollars, noting the precedent set by the layered structure of the Kunming-Montreal Global Biodiversity Framework under the Convention on Biological Diversity.

20. One non-Party submission proposed a structure of the NCQG that accounts for different sources of climate finance with potential sub-targets for each source including on public finance, which contribute to an ambitious overall target.

3. Time frame(s)

21. An understanding of the time frame(s) of the NCQG is required before informed discussions on the quantum of the goal can take place. One Party submission stressed that the time frame for a quantitative goal should be consistent with the NDC cycle and with the underlying principles for the provision of financial support to developing countries; therefore, a long-term time frame (up to 2050) would not provide sufficient certainty in terms of availability of technology and resources to guide subsequent NDCs.

22. Non-Party submissions proposed a long-term vision combined with incorporating short-term objectives, coupled with a review mechanism aligned with the NDC and global stocktake cycles, aimed at meeting the evolving needs of developing countries and supporting an upward adjustment in the ambition of the goal. Examples include a goal with a 10-year time frame composed of five-year operational periods, and, similarly, a finance target to be raised by 2030, which would be reviewed with a view to adjusting and updating the target from 2035 through a streamlined process conducted by the Standing Committee on Finance.

4. Quantum

23. One Party submission stressed that TED 9 should focus on the time frame and quantum of the NCQG, with discussions guided by the options contained in the 2023 annual report by the co-chairs of the ad hoc work programme,¹² and that quantum should be a cross-cutting topic throughout the TEDs, and related discussions should take into consideration approaches through finance set out in Article 6, paragraph 8, of the Paris Agreement.

24. Non-Party submissions included various references to consider for setting a quantitative, evidence-based goal that is predictable, needs-based and adaptable, and one that is based on equity, scientific assessments of required investments, and needs and priorities identified through bottom-up technical assessments in national reports, including:

(a) The needs determination report of the Standing Committee on Finance, which reports overall needs amounting to up to USD 5.9 trillion up until 2030, while noting a higher proportion of needs not costed¹³;

(b) Analysis by the Independent High-Level Expert Group on Climate Finance which indicates that emerging markets and developing economies other than China face a climate finance gap of USD 2.4 trillion per year by 2030, of which USD 1.4 trillion is to be

¹² FCCC/PA/CMA/2023/11 and Add.1.

¹³ <https://unfccc.int/topics/climate-finance/workstreams/needs-report>.

sourced through domestic resource mobilization and USD 1 trillion will be sourced through external finance;¹⁴

(c) Setting a quantum based on a certain percentage of the gross national income or gross domestic product of developed country Parties, plus a science-based percentage that takes into account historical emissions;

(d) International Energy Agency estimates, according to which annual capital spending on clean energy in developing economies is expected to increase more than sevenfold, reaching more than USD 1 trillion by the end of the 2020s to achieve net zero emissions by 2050;¹⁵

(e) United Nations Environment Programme estimates for adaptation needs, which amount to USD 160–340 billion by 2030 and USD 315–565 billion by 2050;¹⁶

(f) A study that contains estimates for loss and damage costs, projected to reach USD 580 billion per year by 2030.¹⁷

5. Contributor base and recipients

25. One Party submission suggested discussing various approaches for determining the contributor base, including drawing on lessons learned from other international bodies and under other agreements, and examining the current landscape of providers of international assistance and direct investment. The submission also suggested discussing approaches to determining the recipient group or groups.

6. Qualitative aspects

26. On the mobilization of climate finance as a qualitative aspect of the NCQG, one Party submission proposed that discussions at TED 9 should cover whether and how the terminology ‘finance mobilized’ should be utilized in the context of the goal, noting that the NCQG should encourage use of innovative instruments and promote broader climate-aligned investments from a diverse range of actors using a wide range of tools and approaches.

27. Non-Party submissions laid out key qualitative aspects of the goal, such as those related to access, concessionality, gender responsiveness, accounting, and mobilization of climate finance. According to most submissions, the NCQG should provide assurance that the financial obligations under Article 9 of the Paris Agreement will remain integral to the NCQG, specify progress indicators for the qualitative elements, and support transparent accounting and effective delivery.

28. Two submissions from non-Party stakeholders stressed the need for highly concessional and grant-based finance for adaptation and loss and damage, and for supporting highly vulnerable communities.

29. Integrating gender considerations into investment decisions and encouraging gender-aware investment decisions will be crucial for innovation, growth and improved financial returns, as outlined in some non-Party submissions. Significant efforts are needed to improve the quality and accuracy of monitoring, reporting and verification outcomes for climate action related to gender equality. In this context, some non-Party submissions suggested ways in which the NCQG can support advancement of gender-responsive climate finance,

¹⁴ <https://www.globalinfrastructure.org/knowledge/new-report-independent-high-level-expert-group-climate-finance>.

¹⁵ <https://www.iea.org/reports/net-zero-by-2050>.

¹⁶ <https://www.unep.org/resources/adaptation-gap-report-2023>.

¹⁷ Markandya, A. and González-Eguino, M. Integrated Assessment for Identifying Climate Finance Needs for Loss and Damage: A Critical Review. (eds) Loss and Damage from Climate Change. Climate Risk Management, Policy and Governance. Springer, Cham. Available at https://doi.org/10.1007/978-3-319-72026-5_14.

including by ensuring that gender-informed strategies for climate finance policies and processes, and gender-smart investing as a driver for inclusivity and equity are key components of the qualitative dimension of the NCQG.

30. Many non-Party submissions noted that developing a definition of climate finance is a prerequisite for differentiating between core public finance provisions and wider financial flows, such as efforts to implement Article 2, paragraph 1(c), of the Paris Agreement. Further progress towards a common and multilaterally agreed definition of climate finance under the NCQG is required, and one non-Party submission suggested using a definition for new, additional and climate-specific sources.

31. Continuing with the qualitative aspect of accounting, one non-Party submission suggested that the TEDs and meetings under the ad hoc work programme could be aimed at clarifying what MDBs count as climate finance, distinguishing between different types of finance provided by MDBs and the various criteria used to determine the degree of concessionality offered.

32. A non-Party submission highlighted possible ways for mobilizing and increasing public and private climate finance flows and improving their quality via public development banks by integrating ex-ante ‘transformational potential’ criteria in valorising different climate finance provided; increasing and leveraging the capital bases and financial capabilities of such banks; strengthening climate alignment mandates; allocating more concessional resources to public development banks at affordable costs; and facilitating accreditation with, access to and implementation of resources from key multilateral funds such as the Green Climate Fund and the Global Environment Facility. The submission also suggested setting up an accountability framework that encourages relevant practices to be adopted across the finance industry and characterizes both quantitative and qualitative aspects of climate investments and climate action.

33. A non-Party submission proposed re-evaluating the prudential norms applied to MDBs with a view to simplifying stringent capital adequacy requirements, thereby unlocking considerable amounts of additional developmental finance. The submission advocated using innovative blended finance instruments such as guarantees, securitization and insurance to mitigate investment risks and catalyse substantial private finance, while reallocating special drawing rights to fund climate action in developing nations and rechanneling unused special drawing rights.

34. Carbon pricing continues to be viewed as an important source of revenue in financing the transition to low-carbon development pathways, and, as noted in one non-Party submission, governments would need to orient macro fiscal frameworks towards resource mobilization and structural change, with the support of international finance.

7. Transparency arrangements

35. On transparency arrangements for the NCQG, one Party submission noted that discussions reveal a growing consensus around using the enhanced transparency framework under the Paris Agreement as a basis for the arrangements, also noting that additional reporting elements would likely be required owing to potential differences in the structure of the NCQG and that of the enhanced transparency framework.

36. Many non-Party submissions emphasized the need for transparency and accountability provisions to inform and shape the NCQG. Many submissions suggest integrating the provisions with the transparency arrangements under the UNFCCC, including revisions as needed to gather data specific to the NCQG. As noted in a non-Party submission, the enhanced transparency framework is relevant for establishing common reporting standards, increasing transparency, supporting capacity-building, facilitating review and assessment processes, and ensuring alignment with global goals and objectives. One non-

Party submission noted that the NCQG review could inform the development of an annual loss and damage gap report.

B. Format of the ninth technical expert dialogue and first meeting under the ad hoc work programme

37. According to one Party submission, TED 9 and the first meeting under the ad hoc work programme should seek to reach consensus on the language for preferred options under elements of the NCQG and, at the very least, identify a limited set of options; if there are diverging views at the technical level, consider narrowing of the options for political engagement.

38. Party submissions also pointed out that, following the identification of options at TED 9 and the first meeting under the ad hoc work programme, subsequent TEDs and meetings should focus on the linkages across various elements of the NCQG and consider how each element affects other aspects of the goal.

39. Party submissions favoured the use of an inclusive format for TED 9, including by ensuring that both Parties and non-Party stakeholders are able to participate in detailed discussions on the options developed over past dialogues and negotiations; providing sufficient seats for non-Party stakeholders; using working groups and including feedback sessions in the plenary for TED 9; and moving towards a plenary environment for the first meeting under the ad hoc work programme.

C. Political and stakeholder engagement

40. An option for political engagement proposed in one non-Party submission involves setting up working groups of ministers to deliberate on various topics, including on the advantages and disadvantages of possible solutions; or, alternatively, giving ministers ownership of the draft negotiating text with the aim of reaching agreement at the political level, with the support of negotiators.

41. Early high-level political input is envisaged, including from meetings of the Group of 20 Sustainable Finance Working Group and the Group of 20 Task Force for the Global Mobilization against Climate Change; the Petersberg Climate Dialogue; the Ministerial on Climate Action; the sixtieth sessions of the subsidiary bodies; and the United Nations General Assembly.

42. Additionally, non-Party submissions included a range of suggestions for strengthening stakeholder engagement in the NCQG, including holding written public consultations; organizing a hybrid dialogue on inclusion of loss and damage in the NCQG, bringing together NCQG negotiators and loss and damage negotiators; holding regional workshops and meetings to accommodate diverse voices; involving civil society organizations and advocacy groups with a view to mobilizing public support for the NCQG; and providing funding for at least one representative for each developing country Party to attend the TEDs and meetings under the ad hoc work programme.

Annex

Submissions on the ninth technical expert dialogue and first meeting 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 had submitted inputs on TED 9 and the first meeting under the ad hoc work programme as at 12 April 2024. The submissions are available on the NCQG web page.¹

<i>Party/group of Parties/non-Party stakeholder</i>	<i>Date submission received</i>
2X Global	28 March 2024
Aviva Investors	28 March 2024
Boston University on behalf of Boston University Global Development Policy Center	3 April 2024
Care About Climate on behalf of the children and youth constituency	10 April 2024
Center for Climate and Energy Solutions	27 March 2024
CGIAR System Organization	29 March 2024
Climate Finance Group of Latin America and the Caribbean	25 March 2024
Environmental Defense Fund	11 April 2024
Heinrich Böll Foundation on behalf of the women and gender constituency	29 March 2024
India on behalf of the Like-minded Developing Countries	5 April 2024
International Development Finance Club	21 February 2024
The Loss and Damage Collaboration	5 April 2024
United Kingdom of Great Britain and Northern Ireland	2 April 2024
United Nations Conference on Trade and Development	9 April 2024
United States of America	30 March 2024
WWF	29 March 2024
WWF	20 February 2024

¹ https://unfccc.int/topics/climate-finance/workstreams/NCQG/submissions-from-parties-and-non-party-stakeholders#_24-Submissions-by-Parties-and-non-Party-stakeholders.