2023 High-level Ministerial Dialogue on the New Collective Quantified Goal on Climate Finance on 3 December 2023

Statement by Trade Union NGOs (TUNGO)

It is critical that we make concrete progress at this COP so as to set the right building blocks and parameters for the final 12 months of the NCQG process. We therefore call for the following **three points** to be agreed at this COP:

Firstly, that it is agreed at this COP that qualitative elements will be incorporated in the NCQG. Aligning the NCQG with just transition principles must be explicitly recognised as a key qualitative element. This must include a commitment to social dialogue with workers and stakeholder engagement with affected communities, covering both mitigation and adaptation and in line with the International Labour Organization's Guidelines for Just Transition.

We know that the NCQG has to be needs-based. And the workers who keep our world moving are critical to identifying those needs and ensuring the NCQG is fit-for-purpose. The quality of engagement with trade unions and wider communities at every stage from feasibility to evaluation will feed directly into the effectiveness of climate finance projects.

Secondly and building off the qualitative elements, just transition must also inform the quantitative elements. Considering what funding is needed for workplace and skills development, for green jobs and for safeguards against mounting climate harms in developing countries must be backed into the quantum.

It must be recognised that **public finance is the long term foundation, with private finance on top, and social dialogue is key**. As a first principle, and following Article 9, all countries should be able to decide what key infrastructure and services should be publicly funded. Discussions of private finance mobilization should take place in this context. Public finance must include adequate grant-based finance and additional public finance mechanisms that do not further exacerbate the financial burdens of climate change on countries of the global south

Thirdly, that there is a process which progresses drafting as early in 2024 as possible, with opportunities for observer groups to provide comments and recommendations throughout.

Getting these points agreed at this COP will allow us to consolidate key areas of work already done, setting the right foundation for delivering on the strong NCQG we all need.

Joint Intervention TUNGO, YOUNGO, WGC, ENGO CAN

Thank you excellencies and distinguished representatives for the opportunity to address you today.

My name is Liane Schalatek and I speak on behalf of WGC, TUNGO, ENGO CAN and YOUNGO.

Having prepared four separate interventions, we were dismayed to not be able to deliver our respective interventions, which is not in keeping with a process supposed to value perspectives from observer

constituencies. Hence, given the tight circumstances, we have prepared a joint intervention, but we do not want this to become a precedent – this was not the case in 2022.

Your Excellencies, without a significant increase in climate finance there will be no trust, no ambition, no implementation and no climate justice.

With only one year left to deliver the new goal, we need the strong political guidance of this Ministerial for next year's work program, including efforts to draft a decision with respect to the quantum and quality, the scope and time-scale of the new goal. This process must be open, participatory and transparent and allow for the continued active engagement of non-party stakeholders in all aspects of the work; including being present in the drafting of the text

We need clear political commitment at this COP to set the parameters for successful negotiations in 2024. That means confirmation at COP28 of the timeframes in line with 5-year NDC/GST cycles, general multilayer structure with public finance at the core, three component parts addressing Mitigation, Adaptation and Loss and Damage, and inclusion of two key clusters of elements and principles:

- Qualitative elements including human rights framing, gender responsiveness, just transition alignment, non-debt creating provision, simplified and enhanced access and transparency and accountability mechanisms for provision and impact
- Quantum elements informed by the equity and CBDR with public finance at the core, taking into account the needs and priorities of Indigenous Peoples, women and gender diverse groups, workers including informal workers, children and youth and people living with disabilities

The process agreed at CMA5 should progress drafting as early in 2024 as possible, with opportunities for non-party groups to provide comments and recommendations throughout. and there must be no more Ministerials without adequate time for civil society to make interventions.

Confirming these components	now is critical to ensure	that we achieve a NCQG	which is fit for purpose.
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The NCQG must fundamentally be understood within the context of equity and CBDR which highlights the **historical responsibilities** of rich countries in the Global North towards people and communities in the Global South already severely impacted by the cascading impacts of the climate emergency. That means a structure with multiple layers including subgoals covering mitigation, adaptation and addressing loss and damage.

It must be based on accountability, transparency and deliver reparations and climate justice for centuries of extractivism and colonialism. We need to recognise alignment with just transition principles in line with ILO Guidelines.

A strong climate finance definition is critical. The NCQG core must be public finance that is new, additional, adequate, and predictable, delivering on all of Article 2. The quality of finance is equally important.

A key learning from the \$100 billion is that finance must prioritize support for human rights centered, gender-transformative climate actions, just transition and intergenerational justice instead of focusing on bankability and return on investment. We must support locally-led solutions responding to the needs and priorities of grassroots groups, Indigenous Peoples, workers, women and diverse gender

groups, children and youth, and people living with disabilities. This means creating, enhancing, and prioritizing pathways for simplified direct access to finance and the agency of these groups in climate finance decision-making.

Public finance can be supplemented, but not replaced by mobilized private sector finance. Innovative sources must be explored, such as taxes or levies, including on fossil fuel polluters and taxing excessive wealth, as well as by redirecting resources from harmful spending on fossil fuel subsidies or military budgets. To be truly equitable, the majority of support must be delivered in the form of public grants or non-debt-creating instruments and without policy conditionalities. Already, developing countries are paying 12 times more in debt service than for climate adaptation.

The new goal must be based on science and the real and changing needs of climate-vulnerable groups and countries. A long-term aspirational goal is not adequate. Instead, the timeframe for the NCQG should be dynamic in line with efforts to ratchet up ambition, with regular reviews. The first needs assessment report estimated minimum costs of around 6 trillion dollars until 2030 for the implementation of climate commitments, not even taking into account more than \$400 billion to cover loss and damage by 2030. Review of delivery must include improved quantitative measures, such as accounting in grant equivalent terms, and reflect them in an updated Enhanced Transparency Framework. But we also need accountability for qualitative elements, such as the gender-responsiveness of provision and how much is directly benefiting local communities and people and groups made vulnerable through marginalization, discrimination, and exclusion.