



## **AGN's position on the NCQG**

### **Interventions made during the 1st meeting of the Ad hoc Work Programme**

#### **Day 1: Context and interlinkages of the goal**

##### **AGN expectations are that the NCQG's:**

###### **a. Preamble and context**

- Should include principles of the Convention and Paris agreement, and urgency to support ambition and implementation
- Should articulate the immense needs of developing countries and responsibilities of developed countries to finance them – PA articles 4.5, 9
- Should include sources (Convention, PA legally binding) if other sources would be complementary.
- Framing from paras and relevant decisions such as the Glasgow outcome, Sharm Implementation Agenda, and Dubai GST outcome
- Should include outcomes that are relevant to the NCQG– implementation of needs and NAP and NDCs, debt, fiscal constraints
- An acknowledgement that there is huge gap in climate finance and there is no shortage of public finance
- Should be very clear on the chapeau of article 2, that climate action is in the context of sustainable development and poverty eradication

###### **b. Quantum**

- Shall focus on implementation: Current NDCs and naps (NCQG decision)
- The NDC and GST cycles form the basis of the goal's review and updating.
- Figures within the NDR provide quantification by 2030, also, GST outcome and the global figures In GST form basis for an output based goal.
- Must support ambition; Low finance would mean low ambition( if there is no finance, then low NDC 1 and NDC 2 ambition)
- This is Not a global transformation goal but a developing countries needs based goal
- The goal should cover Mitigation, adaptation, Loss and damage needs
- The Co-facilitators paper talks about recipients which is not agreed language in this process as all developing countries are eligible for climate finance
- Quantitative elements which are a target for public (provision), public leveraging, and thematic subgoals must be included
- Must include a burden sharing arrangement, responsibility and accountability

- c. **Timeline** – Is a 5 yr goal based on the NDC cycle and with a 2 year review process that includes the GST and updating of the goal.
- d. **Qualitative elements** : Should include access to finance, instruments – grants and concessional finance where grant equivalence applies, and Un-enabling environment such as debt (fiscal space), negative flows( interest rates, loan repayment) , cost of capital, unilateral measures. Also, Guidance to the MDBs/ IFIs on Increasing scale , access, moving to concessional finance. We do not support 2.1 c, and reference to the biodiversity framework.
- e. **Transparency ( 9.5 . 9.7 )**: Backward and forward arrangements. The ETF updated based on NCQG decision which is the final agreement of the goal.

## **Day 2**

### **AGN Intervention on Qualitative elements**

#### ***1st intervention***

The following are what we consider as the qualitative elements of the NCQG:

- a. A reflection of what doesn't count as climate finance for instance any market rate loan is not climate finance as it constitutes reflows or backflows and the nature of finance which includes additional to ODA , has to be grant based and concessional finance, and must consider fiscal constraints
- b. The goal must respond to needs of all developing countries regions , and should be very clear ensuring equitable distribution of finance
- c. The goal must achieve a balance between mitigation, adaptation and loss and damage, in this regard it should be based on the reports of the UN and UNFCCC, in particular NDR of SCF, UNEP adaptation gap report
- d. Dis-enablers of finance must be considered. These are, unfair competitiveness influenced by domestic subsidies in developed countries, high cost of finance, unilateral measures
- e. A reflection of Sharm Outcome Agreed language: on progression and increasing scale, enhancing access including tackling the cost of access

#### ***2nd Intervention on qualitative elements***

- a. Effective finance is finance that offers Full support of NDCs and NAPs and other national needs ie Just transitions and plans with adequate finance and its contribution to 2.1 a, b, to Sustainable Development and poverty eradication.

- b. The qualitative elements must ascertain that countries have direct access to climate finance; the finance is responsive to the nature of our needs in the NDCs, and NAPs which includes nature of instruments, supporting level of ambition in developing countries. And this is reflected in the current reporting system.
- c. In the context of speaking to MDBs, IFIs – qualitative elements should draw from the Sharm Implementation agenda that speaks to ( para 61 and 62) multilateral development bank practices and priorities, align and scale up funding, ensure simplified access, deploying a full suite of instruments, from grants to guarantees and non-debt instruments, taking into account debt burdens, and to address risk appetite, with a view to substantially increasing climate finance
- d. NCQG should not be duplicating or infringing on the other track of discussions on 2.1.c, hence the discussion here is not on flows but on quantum, delivery instruments and responsibility to deliver as per article 9.1 of the PA

**AGN intervention on quantum:**

- a. Public finance is preq and required political will to , needs and priorities, NCQG supporting ambition in NDCs thereby contributing to A 2. 1 a , b in the context of SD and poverty eradication. Also contributing to globally shared set of goals in the context of adaptation, 1.5, just transitions
- b. Based on needs and priorities as articulated in current NDCs until 2030, and should respond to the evolving nature of the needs. Quantum should support mitigation, adaptation, LD, and just transitions
- c. The Quantum needed to implement NDCs based on current estimated figures, which are still not sufficient as not all needs are accounted for, such as the NDR is USd 5.8 - 5.9 T until 2030
- d. The quantum is a number goal which is public finance, and its mobilization target.
- e. NCQG must be about accountability. Timeframe a 5 year goal, annual targets, updated in line with the NDC cycle, with a role within the GST cycle
- f. Quantum is about responsibility. We know there is a burden sharing arrangement among developed countries in the context of the USD 100B. This should be included in the new goal in line with A4.3 of the Convention. Quantum - Adequacy and predictability needed to meet geographical climate needs.