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Agenda item 8(e)

Matters relating to finance

New collective quantified goal on climate finance

**2022 high-level ministerial dialogue on the new collective
quantified goal on climate finance**

Summary report by the President

Summary

This document, prepared by the President of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with the support of the secretariat, contains a summary of the deliberations at the 2022 high-level ministerial dialogue on the new collective quantified goal on climate finance, which was informed by the reports on the technical expert dialogues referred to in decision 9/CMA.3, paragraph 5, and the submissions referred to in decision 9/CMA.3, paragraphs 17–18, including recommendations, with a view to providing guidance on the further direction of the ad hoc work programme for 2023 for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session (November 2022) in accordance with decision 9/CMA.3, paragraphs 10–11.



I. Introduction

A. Mandate

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), at its third session, decided to convene high-level ministerial dialogues starting in 2022 and ending in 2024, ensuring effective political engagement and open, meaningful and robust discussion, to be informed by the reports on the technical expert dialogues referred to in decision 9/CMA.3, paragraph 5, and the submissions referred to in decision 9/CMA.3, paragraphs 17–18, with a view to providing guidance on the further direction of the ad hoc work programme for the following year.¹
2. CMA 3 also requested the President of the Conference of the Parties to prepare a summary of the deliberations at the high-level ministerial dialogues, including recommendations, for consideration by the CMA at that session.²
3. Furthermore, CMA 3 decided to continue its deliberations on setting a new collective quantified goal on climate finance at its fourth, fifth and sixth sessions, taking stock of the progress made and providing further guidance on the ad hoc work programme, taking into consideration the annual reports of the co-chairs of the ad hoc work programme referred to in decision 9/CMA.3, paragraph 9, including the key findings contained therein, and the summary reports on the high-level ministerial dialogues referred to in decision 9/CMA.3, paragraph 11, including the guidance contained therein.³
4. The President of the Conference of the Parties was also invited to ensure the coherence and complementarity of the high-level ministerial dialogues.⁴

B. Scope

5. The proceedings of the 2022 high-level ministerial dialogue on the new collective quantified goal on climate finance are outlined in chapter II below. A summary of the deliberations at the 2022 high-level ministerial dialogue on the new collective quantified goal on climate finance is contained in chapter III below, including recommendations derived from those deliberations with a view to providing guidance on the further direction of the ad hoc work programme for 2023.

C. Possible action by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

6. The CMA may wish to consider this summary, including recommendations, in its deliberations on setting a new collective quantified goal on climate finance at its fourth session.

II. Proceedings

7. The high-level ministerial dialogue was co-moderated by Maria Antonia Yulo-Loyzaga, Secretary of the Department of Environment and Natural Resources, the Philippines; and Jennifer Lee Morgan, State Secretary and Special Envoy for International Climate Action, Germany.
8. During the opening segment, Simon Stiell, Executive Secretary of the secretariat; Wael Aboulmagd, Special Representative of the President of the Conference of the Parties at its twenty-seventh session, the Conference of the Parties serving as the meeting of the Parties

¹ Decision 9/CMA.3, para. 10.

² Decision 9/CMA.3, para. 11.

³ Decision 9/CMA.3, para. 12.

⁴ Decision 9/CMA.3, para. 13.

to the Kyoto Protocol at its seventeenth session and CMA 4; and Kristalina Georgieva, Managing Director of the International Monetary Fund, delivered opening remarks.

9. The co-chairs of the ad hoc work programme on the new collective quantified goal on climate finance, Federica Fricano (Italy) and Kishan Kumarsingh (Trinidad and Tobago), then delivered a scene-setting presentation.

10. The dialogue involving around 50 ministers and other high-level representatives, including from intergovernmental and non-governmental organizations, was initiated by five “ice-breaker” statements delivered by:

- (a) Roselinda Soipan Tuya, Ministry of Environment and Forestry, Kenya;
- (b) John Kerry, Special Presidential Envoy for Climate, United States of America;
- (c) Aminath Shauna, Minister of Environment, Climate Change and Technology, Maldives;
- (d) Anne Beathe Tvinnereim, Minister of International Development, Norway;
- (e) Mari Pangestu, Managing Director for Development Policy and Partnerships, World Bank Group.

11. The dialogue was based on a set of guiding questions provided by the Presidency, namely:

- (a) How can the new collective quantified goal on climate finance help effectively address the needs and priorities of developing countries;
- (b) How can the new collective quantified goal on climate finance adequately reflect the evolving needs and priorities of developing countries in the context of implementing nationally determined contributions;
- (c) What are the lessons learned and opportunities that can be drawn from the mobilization and provision of climate finance; how can we consider other contributors in the new collective quantified goal on climate finance context;
- (d) What are the sources and instruments for the new collective quantified goal on climate finance?

12. Information regarding the high-level ministerial dialogue was made available on the UNFCCC website⁵ and interpretation into the five official United Nations languages was also provided during the dialogue. Parties and observer organizations were invited to submit their statements for publication on the UNFCCC website.⁶

III. Summary and recommendations

A. Summary

13. A wide range of issues and views were expressed during the discussion among ministers and high-level representatives, including of intergovernmental and non-governmental organizations. In addition, some Parties provided written statements. The following summary aims to provide a non-exhaustive overview without prejudice to the various views expressed.

14. Many Parties highlighted the need for urgent action, in particular in the light of efforts to limit the global temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change, which are already cascading and compounding, and to address existing gaps, with several Parties noting the need to rebuild trust and solidarity among each other. A number of Parties also highlighted the importance of the new collective quantified goal on climate finance in providing a clear

⁵ <https://unfccc.int/event/2022-high-level-ministerial-dialogue-on-the-new-collective-quantified-goal-on-climate-finance>.

⁶ As footnote 5 above.

signal, both to the public and the private sector, as well as with regard to the need for enhanced ambition.

15. Many Parties stated that the new collective quantified goal on climate finance is key to the just transition towards a low-emission and climate-resilient society in the context of sustainable development and poverty eradication, and highlighted the link between the new collective quantified goal and enhanced ambition, including in the context of nationally determined contributions. Some Parties expressed the view that the goal should be science- and impact-based to ensure the required transformation. Several Parties also highlighted the important role of Article 2, paragraph 1(c), of the Paris Agreement in the context of the new collective quantified goal, with others noting that Article 2, paragraph 1(c), should be considered in the context of other Articles of the Paris Agreement, including its Article 9.

16. A number of Parties referred to the need to reflect on lessons learned regarding the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency of implementation, with several Parties noting that the goal has yet to be met. Also, various Parties referred to the need to deliver on current pledges, including to the Adaptation Fund and with regard to adaptation finance. Some Parties reiterated that the new collective quantified goal on climate finance will be from the floor of USD 100 billion per year.

17. Many Parties acknowledged the significant scale of needs of developing countries, as identified in various sources of information, such as ranging from USD 2.4 to USD 4.7 trillion per year up until 2025 and from USD 5.8 to USD 5.9 trillion by 2030 according to the first report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement (based on the costed needs identified in national determined contributions).⁷ Parties reaffirmed that needs and priorities of developing countries should constitute the basis for deliberations on the new collective quantified goal on climate finance, including as those needs and priorities evolve over time, highlighting the need for an enhanced information and scientific basis with regard to developing country needs, for example in the context of national needs assessments and with regard to costed needs. Reference was also made to clearly identified and formulated needs as an important tool for the alignment of public and private climate finance contributors with the needs and priorities of developing countries.

18. Several Parties underlined the urgent need for significantly scaled-up adaptation finance.

19. A number of Parties expressed the view that the new collective quantified goal on climate finance should address mitigation and adaptation as well as loss and damage. Some Parties made reference to the need for a balance between mitigation and adaptation. Other Parties highlighted that the new collective quantified goal on climate finance needs to reflect a pathway towards limiting the temperature increase to 1.5 °C above pre-industrial levels and the 2050 net zero emission target.

20. Several Parties noted that the new collective quantified goal on climate finance should reflect the current realities in developing countries, including in the context of inflation and limited fiscal space. Various Parties highlighted challenges due to increased debt burden in developing countries linked to climate action.

21. Some Parties noted the need for deliberations on time frames for the new collective quantified goal on climate finance, including the need for alignment with national planning and reporting cycles, such as in the context of nationally determined contributions, and with the time frame for the global stocktake.

22. Several Parties highlighted the need to start deliberations on the quantum of the new collective quantified goal on climate finance. In this context, a number of Parties pointed

⁷ Standing Committee on Finance. 2021. *First report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement*. Bonn: UNFCCC. Available at <https://unfccc.int/topics/climate-finance/workstreams/determination-of-the-needs-of-developing-country-parties/first-report-on-the-determination-of-the-needs-of-developing-country-parties-related-to-implementing>.

towards specific numerical targets that the new collective quantified goal would need to encompass, with one group of Parties proposing a range of USD 1.3 trillion per year. Other Parties highlighted the need for developing options for the quantitative elements of the new collective quantified goal on climate finance, including in the light of the complexity of the climate finance landscape. It was also indicated by a number of Parties that climate finance under the new collective quantified goal on climate finance should be fit for purpose.

23. Several Parties noted the importance of making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, pointing to the need to shift trillions of dollars with the involvement of the private sector and capital markets and highlighting their significant role in this regard. Suggestions for incentivizing and mobilizing the private sector, including in developing countries, in this regard included providing the necessary enabling environment and integrating climate change considerations into national budgets. A number of Parties also highlighted the need to address issues such as fossil fuel subsidies, carbon pricing, taxing financial markets, energy saving and debt cancellation. Other Parties pointed to the various challenges developing countries face regarding private sector mobilization, in particular in the context of adaptation. In this regard, the important role of the public sector in providing a governance framework was pointed out.

24. Many Parties highlighted the need for deliberations on the quality of climate finance in the context of the new collective quantified goal on climate finance.

25. With regard to sources, several Parties expressed the view that the new collective quantified goal should be based on all available financial sources and channels. Various Parties stated that private finance should be complementary to public finance in the context of the new collective quantified goal on climate finance and highlighted existing obligations under the Convention and the Paris Agreement, including equity and the principles of common but differentiated responsibilities and respective capabilities in the light of different national circumstances. Other Parties acknowledged the existing obligations, with developed country Parties continuing to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels as part of a global effort, and with private finance complementing public sources of finance. Several Parties made reference to the need for broadening the contributor base, including actors such as multilateral development banks, South–South flows and philanthropies, whereas other Parties differed in their views. One Party expressed the need for burden-sharing.

26. With regard to instruments, Parties highlighted the need for new, additional and predictable grant and concessional finance, de-risking instruments such as guarantees or blended finance, and innovative financing instruments, while bearing in mind the capacity of developing countries, as well as the need for public and grant-based financing for adaptation in particular.

27. A number of Parties underlined existing shortcomings in the current financial architecture, noting the need for reforms of multilateral development banks and international financial institutions, including through innovative approaches and the presentation of long-term sustainable finance solutions. Reference was also made by a number of Parties to the need for simplified and harmonized access procedures.

28. Several Parties expressed the need for an agreed definition of climate finance. A number of Parties also highlighted the need for enhanced transparency, including with regard to the effectiveness of climate finance, and mitigation and adaptation impacts; and for accessibility, adequacy, accountability and predictability of and a pathway for climate finance. Several Parties also noted the need for enhanced accounting of climate finance.

29. In terms of the structure of the new collective quantified goal on climate finance, suggestions included that it should consist of sub-goals or subtargets; be flexible; address quantitative and qualitative aspects; include time frames and milestones, such as through periodic updates every 5–10 years; be periodically reviewed; be neutral towards technologies, policies and sectors; and take into consideration regional and national circumstances.

30. Other matters that were raised, including by representatives of intergovernmental and non-governmental organizations, included that the nature of the new collective quantified

goal on climate finance should be aspirational. Further, the need to address capacity-building and preparedness, considering nature-based solutions and ecosystem services, enhanced climate finance for agriculture and forestry, considering human rights and gender diversity, and the need to engage communities particularly affected by climate change, women and youth were mentioned.

31. In terms of guidance for work to be undertaken under the ad hoc work programme, a number of suggestions were made in order to allow for a more structured and targeted approach, which included agreeing on a clear road map for the technical dialogues; and timelines for and duration of technical dialogues and submissions. Suggestions relating to specific substantive issues to be addressed included the topics of quantitative and qualitative elements, temporal scope, access modalities, accountability, transparency, existing and innovative instruments, and the mobilization of private finance. A suggestion was also made for the identification of clear milestones in the deliberations on the new collective quantified goal on climate finance. A further suggestion was that, in order to come to an informed decision, all elements would need to be worked through as appropriate, including not to take pre-emptive decisions early on. A further suggestion referred to providing a mandate for technical documents to be produced under the work programme to include identification of areas of common ground and proposals for consideration by Parties.

B. Recommendations

32. The recommendations below were derived from the deliberations during the 2022 high-level ministerial dialogue on the new collective quantified goal on climate finance with a view to providing guidance for the further direction of the ad hoc work programme while taking into account the overall time frame of the ad hoc work programme.

33. Noting the sense of urgency conveyed by Parties, at this session of the CMA there is need for Parties to agree on a more structured approach to technical deliberations as well as to come to a clear, shared understanding as to what the technical considerations should substantively address in the coming years. In this regard:

(a) Specific guidance on procedural aspects, such as a road map, including substantive issues to be addressed (such as quantitative and qualitative elements, temporal scope, access, accountability, transparency, instruments, issues around the mobilization of private finance, and the relationship with Article 2, paragraph 1(c), of the Paris Agreement, including in the context of Article 9 of the Paris Agreement), timelines, submissions, etc., should be provided;

(b) Substantively, deliberations on issues such as the quantitative and qualitative aspects; transparency; time frames; reflection on information on needs; the linkage to a 1.5 °C pathway, just transition, and global carbon neutrality; the linkage to the best available scientific knowledge; and a process to discuss roles and responsibilities and potential burden-sharing should be initiated.
