

## Submission by India on New Collective Quantified Goal

Finance is the key enabler in implementing the ambitious climate action that developing countries have committed as part of their Nationally Determined Contributions (NDCs). At this juncture, the financial support provided to developing countries is meagre as compared to the scale of the requirements of developing countries. An effective and ambitious New Collective Quantified Goal (NCQG), prior to 2025, will be important to enhance the support for developing countries and enable them to implement their ambitious NDCs.

During the 8 Technical Expert Dialogue, Parties have deliberated upon the structure of the goal. As per this structure, the goal needs quantum, time frame, and appropriate qualitative elements. Some of these qualitative elements are that the goal should be new, timely-delivered, additional, and affordable. It is also amply clear that the goal has to be dynamic to take care of the evolving needs of developing countries with a thematic balance between adaptation and mitigation flows. The role of the remaining four dialogues will be critical for meaningful outcomes at COP 29.

Going ahead, I would like to give input on the guiding questions for this dialogue.

*Q1: How should the goal reflect sources/channels of climate finance and in what timeframe?*

The Paris Agreement mandates developed countries to provide and mobilise resources to support developing countries. Article 9.1 of the agreement mandates developed countries to provide financial resources to assist developing countries in implementing

their climate actions. Further, Article 9.3 guides developed countries to lead the mobilisation of resources from various sources for developing countries where a significant role is played by public funds. The New Collective Quantified goal therefore must reflect both the extent of public funding to be provided by the developed countries and the quantum of resources mobilised by them through other channels.

This resource flow needs to be additional to other developmental finance and predominantly must be grant-based and concessional so as not to impact the debt profile of developing countries adversely.

The Standing Committee on Finance (SCF) has estimated that resources in the range of US\$ 6 trillion to US\$12 trillion are required till 2030 to meet the targets set by developing countries in their Nationally Determined Contributions and other communications. It is to be noted that these estimates are floor for overall requirements as less than one-third of the needs have been costed. The scale of finance flows has to be in keeping with the requirements.

Today, adaptation has become a priority for developing countries. The Adaptation Gap Report of the UNEP estimates the requirement of adaptation finance in the range of \$215 to \$387 billion per year, while the existing adaptation finance flows are only around USD 20 billion per year. This massive gap must be addressed by building a balance between adaptation and mitigation flows in line with Article 9.4. Further, the finance for adaptation needs to be grant-based, given the adverse risk-return profile of adaptation projects.

On the timeframe, the NCQG must consider the evolving needs of developing countries. The goal needs to be dynamic and scaled up with the availability of estimates from upcoming NDC cycles of developing countries. Therefore, the timeframe of the goal needs to be in sync with the NDC cycles. However, the cumulative goal would need to be annualised to enable monitoring and the possibility of course correction.

*Q2: How should the quantification of the goal be approached, taking into account the needs and priorities of developing countries and the review of delivery?*

On the second question, it is important to highlight at the outset that the NCQG must be in line with needs and priorities of developing countries as per the decision of COP21<sup>1</sup>. The Needs Determination Report (NDR) of the SCF provides estimates on the scale of the requirements of developing countries. Considering this, the goal needs to be proportional to the scale of needs as estimated in NDR.

*Q3: How should further political-level engagement continue in 2024 to complement the technical work for a successful outcome on the new collective quantified goal at CMA 6?*

Lastly, on the third question, the ad hoc work program must include both political and technical discussions in its upcoming discussions. In this context, at least two political-level engagements -one in June and the second just before COP 29 will allow for a timely decision on NCQG. As substantive discussions have already taken place on the

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<sup>1</sup> Para 53, decision 1/CP.21

structure of the goal, decision text-based discussions guided by political-level engagement will aid faster decision-making.