



United Nations
Climate Change Conference

Doha, Qatar

Process Proposal for Defining the New Collective Quantified Goal

Online Seminar, 12th October 2022

Presented by:



CFAS

CLIMATE FINANCE
ADVISORY SERVICE

With support from:

giz

Deutsche Gesellschaft
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Zusammenarbeit (GIZ) GmbH

1. Introduction

Mr. Raju Pandit Chhetri, CFAS/Prakriti Resources Centre

2. The proposed NCQG process

Ms. Bertha Argueta, CFAS/Germanwatch

3. Expert discussion of the proposal and the NCQG

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Ms. Sandra Guzmán, founder of GFLAC

4. Q&A



1 | Introduction



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Climate Finance Advisory Service (CFAS)

- Launched in 2013 and managed by the Climate & Development Knowledge Network (CDKN), in collaboration with a consortium of climate finance experts from developed and developing countries:



- **Objective:** build up the capacity of negotiators, Board members, advisors and other delegates helping them to effectively participate in the complex global climate finance negotiations ► focus on LDCs, SIDS and African States
- **Activities:**
 - ✓ Technical support to strategic partner countries
 - ✓ Real time support to additional negotiators and Board/Committee members ("Friends of CFAS")
 - ✓ Meeting summaries of the Green Climate Fund (GCF), Standing Committee on Finance (SCF) and Adaptation Fund Board (AFB)
 - ✓ Analysis of finance related themes ahead of international climate change negotiations (CFAS Policy Briefs – supported by GIZ)



2 | The proposed NCQG process



2 | The NCQG ad hoc programme

- As part of the Paris Agreement, it was agreed that prior to 2025 a new collective quantified goal (NCQG) should be set from a floor of US\$100 billion per year, taking into account the needs and priorities of developing countries
- At COP26, in Glasgow, an ad hoc work programme for the NCQG was launched for 2022-2024

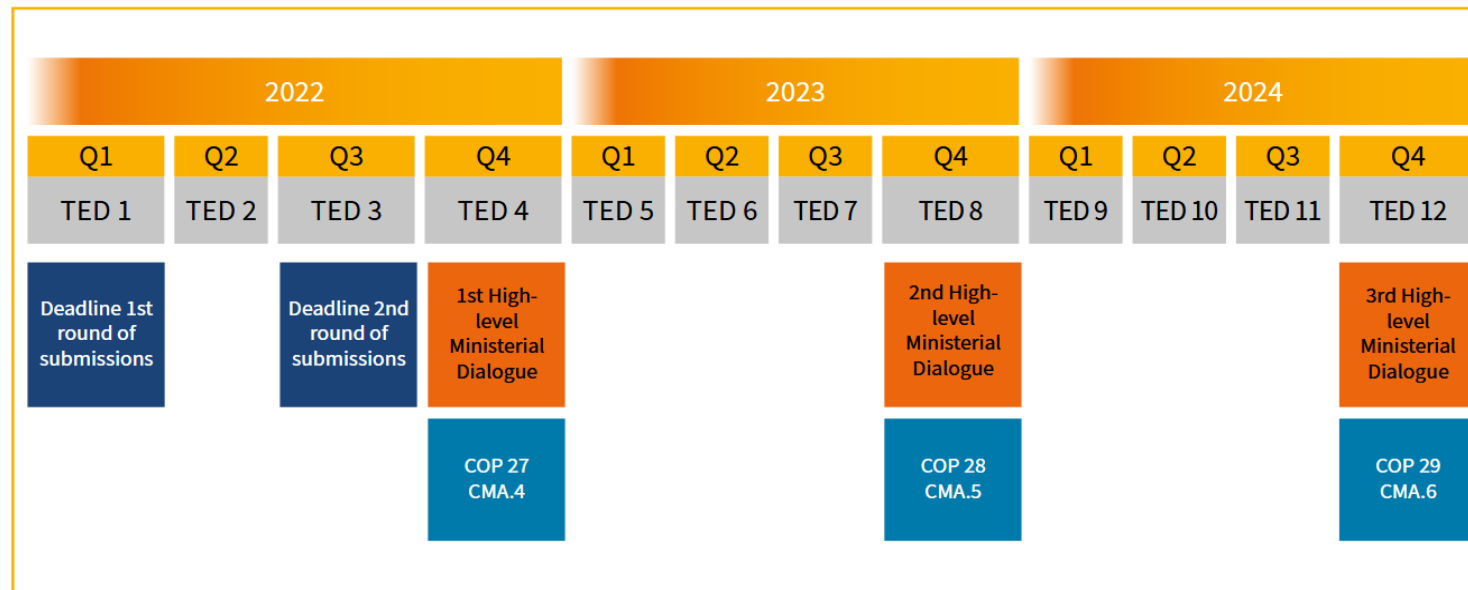


Figure 1. The ad hoc work programme launched at COP26 to establish the NCQG

2 | The nature of the proposed process

- At TED 2, in June 2022, participants expressed the need to outline a process that would provide more clarity and space for a “deep dive” into the many issues already identified in the discussions and submissions and include milestones.
- In proposing such a process, we have considered that final decisions in UNFCCC processes are based on the idea that “nothing is agreed until everything is agreed”.
- However, the NCQG is complex, with many different parts and features, so requires a stepwise approach to ensure that all topics are addressed and the outcome is a good reflection of and balance between differing views.
- The proposed process tries to give predictability, but remain flexible and thus facilitate preparations for the upcoming TEDs.

2 | Elements of the NCQG

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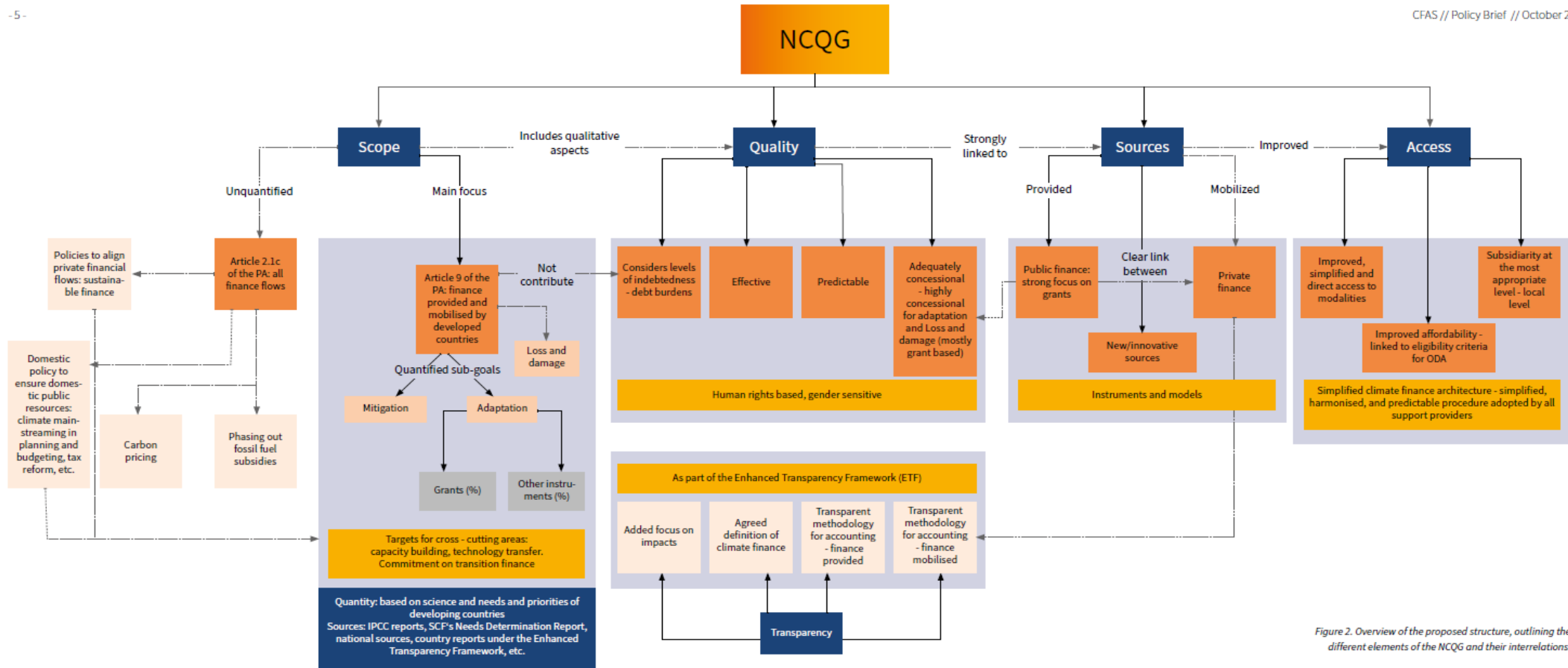


Figure 2. Overview of the proposed structure, outlining the different elements of the NCQG and their interrelations.

- **CM.4 could outline the potential scope of the NCQG.**
 - Key question: what does it mean that the NCQG is a collective goal, in the context of differentiated obligations and expected contributions?
 - Underlying question is the relation to Article 9 and 2.1c of the Paris Agreement (and between the two articles)

- Our proposal is based on a separation of the goal in two components:
 - One focusing on flows from developed to developing countries – based on needs and priorities of developing countries
 - One focusing on all other finance flows – committing all Parties to making financial flows consistent with the PA
- This division is proposed to ensure clear roles and responsibilities for each component.

CMA.4 decision on the collective nature of the goal and the resulting overarching structure, including guidance for the technical deliberations during 2023			
TED 5	TED 6	TED 7	TED 8
Focused on finance flows from developed to developing countries (Art. 9): How to define the needs and priorities of developing countries: sources, limitations, challenges and methods.	Focused on finance flows from developed to developing countries (Art. 9): How to translate the needs and priorities into a more detailed structure: potential sub-goals and their quantification (options for quantified sub-goals and other types of commitments).	Focused on aligning all finance flows with the goals of the Paris Agreement (Art. 2.1c): How can the new goal include commitments for all Parties and stakeholders to align all flows with the goals of the Paris Agreement? Framing of the goal when addressing processes outside the UNFCCC. Feedback into the discussions on needs and priorities of developing countries and potential sub-goals (just transition, capacity building).	Focused on the potentially dynamic nature of the NCQG: Should the NCQG reflect the changing and dynamic nature of the needs and priorities of developing countries? If so, proposals for a process of review of the NCQG. Definition of a timeframe for the goal and proposals for a review cycle.
Roles and responsibilities of stakeholders. Links to other qualitative aspects.			
Second High-level Ministerial Dialogue (2023): political feasibility of the technical proposals; balance between a well-structured goal and an implementable one; other discussions (e.g. fair shares and donor base)			

Table 1. The proposed NCQG process for 2023

- **Key technical discussions would include:**
 - Consideration of a balance between a well-structured goal that addresses all the different needs and priorities of developing countries and the right level of complexity of the goal
 - Use of available information on needs and priorities
 - Potential sub-goals, and whether and how these could be quantified – mitigation, adaptation, capacity building, technology transfer, L&D, just transition
 - The balance between adaptation and mitigation
 - The dynamic nature of needs and priorities and whether and how to reflect this in the NCQG
 - Aligning other financial flows with the Paris Agreement – and potential links to just transition needs
 - Responsibilities of different actors

2 | The process in 2024

- **CMA.5 would narrow down options provide by the TEDs and high level**
- **It would also provide guidance on the more qualitative issues: quality, access, transparency**
 - Key question: the role of public finance in the NCQG

- Public finance as a means to mobilise private finance but also as a means to implement actions directly. Links to topics of quality of finance.

CMA.5 decision on the options for the structure of the NCQG. CMA.5 decision on the role of public finance in the NCQG and its links to quality and access features, including guidance for the technical deliberations during 2024			
TED 9	TED 10	TED 11	TED 12
<p>Focused on the role of public finance in the NCQG:</p> <p><i>Quality features:</i></p> <p><i>How to make public finance provided more predictable? Links to sources and channels.</i></p> <p>Concessionality, its links to instruments and models, as well as impacts on debt levels of developing countries. Best instruments to respond to the needs and priorities of developing countries.</p>	<p>Focused on the role of public finance in the NCQG and access:</p> <p><i>What is the link between public finance provided by developed countries and the mobilization of private finance (direct and indirect mobilization and initial discussions on how to account for both).</i></p> <p><i>Should private finance mobilized be counted towards the NCQG? How?</i></p> <p><i>Options to address the complexity of the climate finance architecture: simplification and harmonization of procedures for all sources and channels. How to frame this considering these processes are outside the UNFCCC?</i></p>	<p>Focused on transparency:</p> <p><i>Transparency arrangements for the NCQG, including relation to ETF, definition of climate finance, methodologies and accounting approaches.</i></p> <p><i>Reporting of 2.1c progress.</i></p> <p><i>Efficiency and reporting on impacts.</i></p>	<p>Focused on access features:</p> <p><i>Suggestions for the financial mechanism of the UNFCCC to improve access.</i></p> <p><i>Wrap-up of technical discussions</i> <i>Pending questions and review</i></p>
Roles and responsibilities of stakeholders. Links to the structure, sub-goals and other previous discussions.			
Third High-level Ministerial Dialogue (2024): political feasibility of the technical proposals; role of public and private finance in the NCQG; decisions on transparency (one definition or many, methodologies and accounting approaches). Revision of previous recommendations in light of new evidence and discussions.			
CMA.6 decision on the establishment of the NCQG			

Table 2. The proposed NCQG process for 2024

- **Key technical discussions would include:**

- **Quality features:**

- Predictability
- Effectiveness
- Concessionality – sources, instruments, models and relation to debt burdens of developing countries

- **Access features:** eligibility criteria, lack of transparency of access procedures, discretionary and exclusive nature of certain channels, etc.

- **Transparency arrangements**

- Links to the ETF
- Definition of climate finance
- Accounting methods, including for mobilised finance (directly and indirectly)

2 | Overview of the proposed process

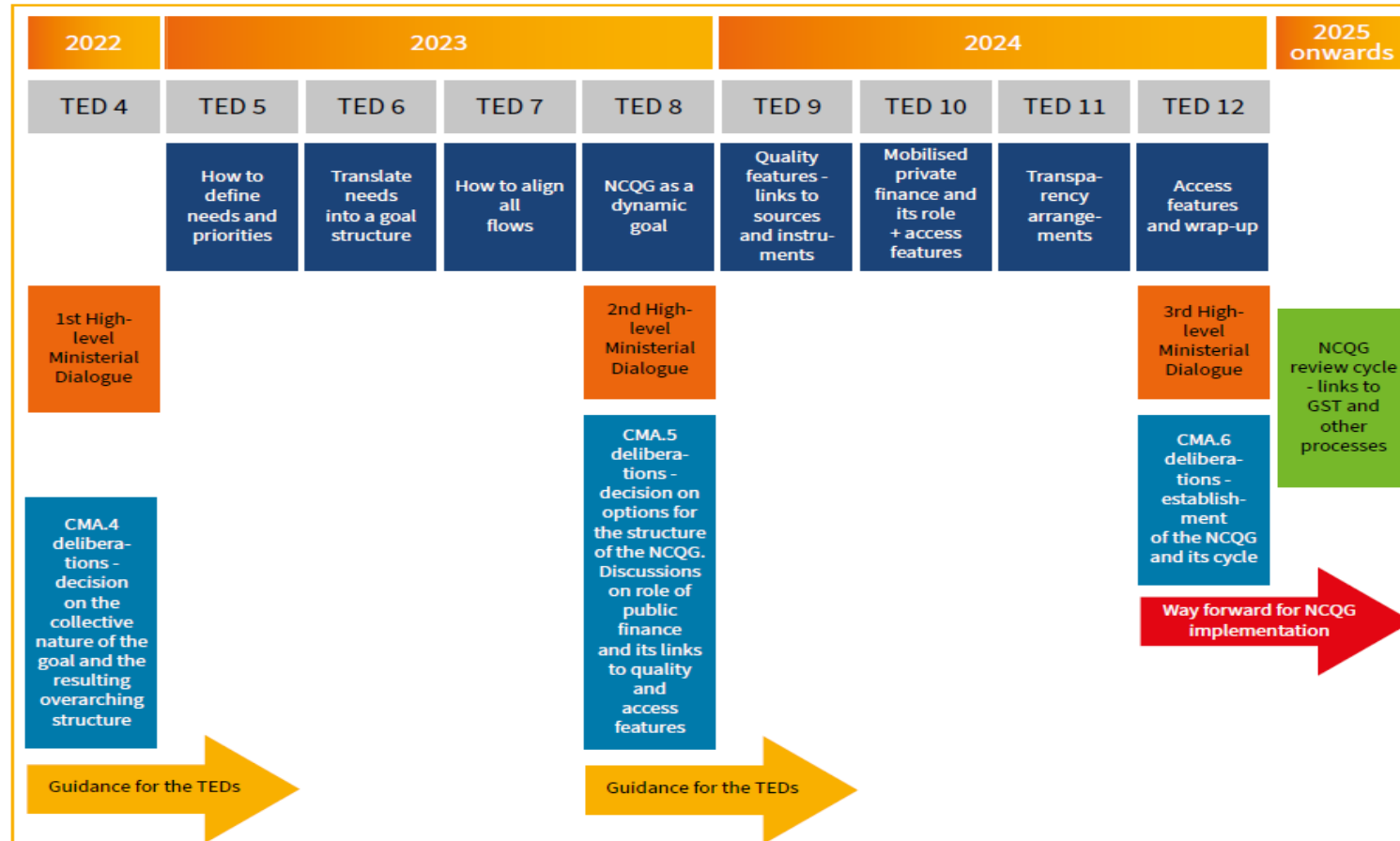


Figure 3. Overview of the proposed process to establish the NCQG



3 | Expert discussion



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4 | Q&A



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Many thanks for your participation!

The policy brief is available on the CFAS website:
<https://www.cfas.info/en/publication/process-proposal-defining-new-collective-quantified-goal>

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