

Negotiating text on new finance goal to be developed

New Delhi, 22 Dec. (Radhika Chatterjee) — A [decision](#) was adopted in Dubai, on Dec 13, “to enable the development of a draft negotiating text” on setting the new collective quantified goal (NCQG) on climate finance, which will be considered at the 6th session of the Parties to the Paris Agreement (CMA 6) to be held in Nov. 2024, (in Baku, Azerbaijan).

(This was a follow-up from the decision adopted in Egypt in 2022, that acknowledged “the need to significantly strengthen the ad hoc work programme on the NCQG in the light of the urgency of scaling up climate action with a view to achieving meaningful outcomes...and setting the NCQG in 2024 taking into account the needs and priorities of developing countries.”)

According to the Dubai decision, in 2024, the “ad hoc work programme”, will “build on the technical work conducted and the submissions made” in 2023 and “allow for deliberations among Parties that are conducive to the development of a draft negotiating text”. The co-chairs of the work programme have been requested to “include in their annual report, to be issued no later than four weeks prior to CMA 6, a substantive framework for a draft negotiating text capturing progress made”.

In the informal consultations on the NCQG prior to the adoption of the decision, the main contestation was over the modality of work that would be adopted in 2024 for setting the goal.

Developing countries laid a strong emphasis on the need for moving into a “negotiation space”, going beyond the existing approach of holding Technical Expert Dialogues (TEDs) on the NCQG. The thrust of their focus was on having a modality that would be “Party driven” to work on a “negotiated decision text” that would be considered at CMA 6. Developed countries on the other hand, while acknowledging the need for a negotiation space, insisted on continuing with the modality of the TEDs for preparing a draft text by strengthening the dialogues.

Multiple iterations of draft texts were shared by the Co-facilitators of the informal consultations, **Gabriela Blatter (Switzerland)** and **Ambassador Amenatave (Amena) V. Yauvoli (Fiji)**. After much wrangling, agreement was reached to shift the mode of work to a negotiation space.

Developing countries, led by the **G77 and China**, reiterated the need for change in the modality of NCQG work programme, which “should be Party driven, based on a negotiated decision text, and

based on submissions from Parties". The G77 position was echoed by all the sub-groups of developing countries including the **Like Minded Developing Countries (LMDC)**, the **African Group (AG)**, **Arab Group**, **Least Developed Countries (LDC)**, **Alliance of Small Island States (AOSIS)**, **Argentina, Brazil and Uruguay (ABU)** and the **Independent Alliance of Latin American and Caribbean Nations (AILAC)**.

Saudi Arabia, for the **Arab Group** proposed a "temporary technical committee" to change the modality of work and to advance the negotiations on the NCQG. In response, The **European Union (EU)** said "we need to give more structure to the TEDs" and that there is "no need for a new structure", adding that the "TEDs are very efficient and can deliver on this process".

Norway expressed similar sentiments and said the TEDs can be strengthened and "can also produce the negotiating text" and that "there is nothing hindering us legally from doing that and we can mandate the co-chairs to produce a text". The emphasis on retaining and strengthening TEDs was echoed by **Australia**, **Canada**, **Switzerland**, **New Zealand** and the **United Kingdom (UK)**.

In respect of the TEDs, the Dubai decision provides that at least three TEDs are organised in 2024 "...to allow for in-depth technical discussions on the elements of the NCQG with a view to informing the meetings under the ad hoc work programme... with one dialogue to take place in advance of the sixtieth sessions of the subsidiary bodies (June 2024), one in conjunction with those sessions and one well before CMA 6, and two of the dialogues to be organized in separate regions with a view to facilitating inclusive and balanced geographical participation".

In addition to the TEDs, it was also decided to conduct, "at least three meetings under the ad hoc work programme in 2024, back-to-back with the TEDs...to enable Parties to engage in developing the substantive framework for a draft negotiating text".

The decision provides for the continuation of the co-chairs of the ad hoc work programme in 2024 "to ensure continuity of the process", who are **Zaheer Fakir (South Africa)** and **Fiona Gilbert**

(Australia), who were the co-chairs of the ad hoc work programme in 2023.

All developing countries had said that they would like to see a continuation of the 2023 co-chairs for the ad hoc work programme in 2024, while, among the developed countries, it was only the **United States of America (US)** which wanted discussion on having new co-chairs for the process, but then agreed with the final decision.

To prepare the "substantive framework for a draft negotiating text" the co-chairs of the ad hoc work programme have been requested to "allow for (its) iterative development" and take into "consideration the annual report of the co-chairs..., submissions made in 2022–2023, the submissions referred to in paragraph 14 below, work undertaken in the context of the TEDs..."

Paragraph 14 "*invites* Parties, constituted bodies under the Convention and the Paris Agreement, the operating entities of the Financial Mechanism, climate finance institutions, observers and other stakeholders, including from the private sector, to submit views in advance of each TED and meeting under the ad hoc work programme via the submission portal" in 2024. The secretariat has been requested to prepare a "compilation" and "synthesis" of these submissions "as input to the TED and meetings under the ad hoc work programme".

Concerns were initially raised during the informal consultations by **AOSIS** and the **Arab Group** about the legality of mandating the co-chairs of the ad hoc work programme in producing a draft negotiating text. **AOSIS** wanted "to tie any mandate that we give to co-chairs to the Party driven process".

On the matter of political guidance to the ad hoc work programme, the decision adopted agreed to convene a "high-level ministerial dialogue" in 2024, well before CMA 6 "...with a view to providing guidance for the deliberations on setting the NCQG at that session".

The Dubai decision also states that the deliberations on NCQG will build "on the outcome of the first Global Stocktake (GST) and the framework for the Global Goal on Adaptation" (GGA).

(The [outcome](#) of the GST in this regard states as follows: “*Also recognizes* that the deliberations related to the scale and elements of the NCQG on climate finance could take into consideration the urgent need to, inter alia, support implementation of current nationally determined contributions [NDCs] and national adaptation plans, increase ambition and accelerate action, taking into account the evolving needs of developing country Parties, and the potential for mobilizing finance from a wide variety of sources, instruments and channels, recognizing the interlinkages between the different elements of the NCQG on climate finance”.

The [decision](#) on the framework for the GGA states as follows: “*Seeks* to close the adaptation finance gap and *encourages* Parties to consider the outcomes of the global stocktake and the UAE Framework for Global Climate Resilience in their deliberations on the NCQG on climate finance in 2024”. Parties had also agreed that “the purpose of the UAE Framework for Global Climate Resilience is to guide the achievement of the GGA and the review of overall progress in achieving it with a view to reducing the increasing adverse impacts, risks and vulnerabilities associated with climate change, as well as to enhance adaptation action and support.”)

There was also considerable divergence amongst Parties on many of the substantive elements of the NCQG. As a result of which most Parties said it would be better to focus on “getting the process right” for 2024, and the substantive elements could be discussed after that.

Some of the issues on which stark divergences were visible during the consultations was that of the timeframe, sources and structure of the NCQG. On the timeframe, most developing countries said they would prefer a shorter timeframe of 5 years starting from 2025 and a subsequent renewal in 2030 for another five years.

Saudi Arabia, for **Arab Group**, said, “the timeframe needs to be linked to actual implementation on ground: the GST, NDCs, reporting cycle of the Enhanced Transparency Framework (ETF), linked to a short time frame of five years, and then an extension of another five years”.

Developed countries said they would like a long-term timeframe for the goal, with **Switzerland** expressing a preference for an aspirational goal of 2050 with a medium target for 2035.

The **EU**, sharing a preference for a longer time frame, stated explicitly that the option for a five-year term with a renewal for another five years would “not be possible for us”. This was echoed by **New Zealand**. **Norway** said it could work with a timeframe of ten years or with the idea of an aspirational goal of 2050 with a medium-term target.

There was also disagreement over the year in which NCQG would be launched – in 2025 or 2026, with developing countries emphasizing that the goal should be launched in 2025 as per the mandate.

Brazil, speaking for **G77 and China**, referred to a paragraph in an iteration of text shared by the co-chairs that referred to the launch of the NCQG in 2026 and said “this does not speak to the mandate of the process” and that “we need to stick to the mandate to establish the work programme for NCQG”.

On the issue of sources, developing countries stressed that the NCQG has to be guided by Article 9 of the Paris Agreement (PA). **Brazil**, speaking for **G77 and China**, said, “our overall approach to this text and to the process of establishment of NCQG should be based on financial responsibilities under Article 9” and “financial resources have to be new, additional, predictable... focusing on a quantum that speaks to needs and priorities of developing countries; it will amount to trillions”.

Regarding the inclusion of Article 2.1.c of the PA in the discussions on NCQG, **China** made a sharp intervention and said, “We hope the text sticks to the mandate of this agenda item. We saw a lot of divergence, and a lot of unnecessary inputs by developed countries. We are here because we understand the responsibility and obligation of developed countries, and the history of emissions. We will not support Article 2.1.c in this. This text has to be about Article 9”.

(Article 2.1(c) deals with the goal of “making financial flows consistent with a pathway towards

low greenhouse gas emissions and climate-resilient development.”)

Concerns regarding the inclusion of Article 2.1.c in the NCQG discussions were also echoed by the **Arab Group** and **LMDC**.

Switzerland said, “overall structure of the goal has to be multilayered, with different layers fitting into different actors and sources, including Article 2.1.c”. **UK** said it would like to see a broad range of finance to deliver on the needs. **Norway** said that the name of the goal and financial obligations are not directly related to the goal.

During the discussions on the structure of the goal, the **EU** made it clear that it would not support the inclusion of loss and damage in discussions on the NCQG, saying “we cannot accept any language on loss and damage next to adaptation and mitigation in the NCQG... there is no legal obligation to finance loss and damage; that is not part of the new goal”.

On the matters that will be considered by the ad hoc work programme, the Dubai decision states that “the deliberations on the scale and elements of the NCQG will take into consideration the exigent

need to support implementation of current nationally NDCs and national adaptation plans and adaptation communications, including those submitted as adaptation components of NDCs, increase and accelerate ambition, and reflect the evolving needs of developing country Parties, and the need for enhanced provision and mobilization of climate finance from a wide variety of sources and instruments and channels, recognizing the interlinkages between the different elements of the NCQG, including in particular how the structure will impact the scale”.

Parties have been invited to submit their “views on issues to be addressed as part of the 2024 workplan via the submission portal by 31 January 2024”. The co-chairs have been requested to make available the 2024 workplan no later than March 2024.