

## **First EIG Submission on the New Collective Quantified Goal on Climate Finance**

The Environmental Integrity Group (EIG) comprising Georgia, Liechtenstein, Mexico, Monaco, the Republic of Korea and Switzerland hereby would like to share its views in line with the call for submissions in paragraph 17 of the CMA 3 decision on the new collective quantified goal on climate finance.

The EIG is of the opinion that the new collective quantified goal should be multidimensional and contain multiple elements and go beyond a singular number target focused on north-south flows.

The EIG fully supports the objective of the new quantified goal as sketched out in paragraph 15 of the CMA 3 decision. The new goal aims to contribute to accelerating the achievement of Article 2 paragraph 1 of the Paris Agreement, including achieving the 1.5°C temperature goal, increasing the ability to adapt and global climate resilience and making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

As agreed in Decision 14/CMA.1 the EIG is of the opinion that the new collective quantified goal will be set from a floor of USD 100bn per year in the context of meaningful mitigation action and transparency of implementation and taking into account the needs and priorities of developing countries. It will strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty.

The overall quantity of the goal and / or its components will depend largely on the sources of finance and the contributors. All financial instruments and sources, public and private, domestic and international should be included in the future goal, noting the important role of the operating entities of the financial mechanism of the Paris Agreement in providing and mobilizing financial resources for climate action in developing countries. As part of a global effort, the contributor base should be as broad as possible, while taking into account that developed country Parties should continue to take the lead in mobilizing climate finance from a variety of sources taking into account the needs and priorities of developing countries. In the view of the EIG, public actors, private sector and civil society will have an important role to play. The more sources and actors will contribute to the new collective quantified climate finance goal the higher the ambition will be.

The members of the EIG believe that not only the quantity but in particular also the quality of climate finance, especially the effectiveness and mitigation and adaptation impact achieved with climate finance, including sustainable development co-benefits generated, in particular for the most vulnerable people and communities, will be critical. Related to this the context of meaningful mitigation action and transparency on implementation will remain as an essential part of the new collective quantified goal. We will have to collectively ensure that enabling policies and environments are established, which drive investments for low greenhouse gas emissions and climate resilient development.

The scope of the new goal should cover all activities that support the implementation of the Paris Agreement. We should use this opportunity to rethink the broader climate finance architecture and in particular also include a dimension in the goal which relates to making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. The global financial flows have to facilitate the transition towards a low greenhouse gas emission and climate-resilient development. We should use this opportunity to set the right and remove the harmful incentives, including fostering transparency on the current alignment of financial flows, and set an aspirational goal to drive this transition, e.g. set a global collective quantified goal related to the reduction of fossil fuel subsidies and / or on related to global carbon pricing.

The EIG believes that transparency on the progress of implementation of the new goal will be important and will have to be discussed and agreed in the context of the deliberations on the new goal. Since the goal will be collective, all contributors to the new goal should collectively be included in the

transparency efforts related to the new goal and tracking progress should be collectively and not individually per contributor.

Last but not least, the EIG members believe that the lessons learnt from the USD 100bn dollar goal and its implementation should be taken into account in the deliberations of the new goal to ensure that the highest possible impact is generated with the resources available and that access challenges will be addressed and overcome.