

The United Kingdom of Great Britain and Northern Ireland's submission to the United Nations Framework Convention on Climate Change on the New Collective Quantitative Goal on Climate Finance Work Programme

The United Kingdom of Great Britain and Northern Ireland is pleased to provide its views on matters relating to the work programme for the New Collective Quantitative Goal on Climate Finance, referred to in paragraph 11 (b)¹ and paragraph 12² of the COP27 -/CMA.4 decision.

Context

The UK would like to reiterate the collective agreement that the new collective quantified goal should aim to contribute to accelerating the achievement of Article 2 of the Paris Agreement, which was reaffirmed in the Glasgow Climate pact, of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and resolving to pursue efforts to limit the temperature increase to 1.5 °C. To achieve this, the goal should help set a framework to ensure that Parties deliver on the ambition to make financial flows consistent with a pathway towards low greenhouse gas emission and climate-resilient development, while also representing a scaled-up level of international, public-based support for developing countries. The new goal should also consider lessons learned from the goal of developed countries of mobilizing jointly USD 100 billion per year by 2020 and the needs and priorities of developing countries.

In considering the work plan for 2023, we are mindful of the overarching recommendation from the High Level Ministerial Dialogue that in 2023, the work programme for the new collective quantified goal on climate finance should address substantive 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, global carbon neutrality and the best available scientific knowledge, and a process to discuss roles, responsibilities and potential burden-sharing. It is vital that the TEDs held in 2023 are guided by these recommendations and build on conclusions from TEDs in 2022.

To make progress this year, we suggest that the 2023 work programme avoids duplication with the work that was taken forward last year and builds on the summaries and key findings of the four technical expert dialogues and the high-level Ministerial Dialogue held in 2022.

In 2023, further deliberation is necessary is on the structure and timeframes of the new goal, the quantitative and qualitative elements of the goal, including how the goal will drive delivery of Articles 9 and 2.1c of the Paris Agreement, and issues of transparency, including options to ensure the responsiveness of the goal to changing needs.

¹ 11 (b) Invite Parties, constituted bodies under the Convention and the Paris Agreement, the operating entities of the Financial Mechanism, climate finance institutions, observers and observer organizations and other stakeholders, particularly from the private sector, to submit inputs via the submission portal on each technical expert dialogue to be held, on the basis of guiding questions well in advance of each technical expert dialogue to allow for those inputs to be reflected in the organization of the dialogues;

² 12. *Invites* Parties to submit views on the issues to be addressed as part of the workplan referred to in paragraph 11(a) above via the submission portal by 28 February 2023;

The UK stands ready to support the Egyptian COP27 Presidency and incoming UAE COP28 Presidency in demonstrating progress at COP28 and building coherent understanding and approach to establishing the new collective quantified goal.

Topic selection for Technical Expert Dialogues (TEDs) 5, 6, 7 and 8

This section of the submission will specify UK suggestions on which topics should be discussed at the TEDs in 2023 and summary section explaining the concept idea for each topic.

1. TED 5: Operationalising the NCQG - Structure and temporal framework

Summary: In advance of technical discussions on the number for the new goal, greater clarity and transparency is required on the options for how the new goal will be operationalised. This includes deliberations on whether the new goal should entail time-bound milestones and its overall timeline for operationalisation, how it will be reviewed, how it will be made responsive to changing global realities and needs, and how it will interact with other UNFCCC processes such as the GST and GGA. These discussions should be balanced with considerations of how to structure the goal so that it is designed to support the long-term nature of equitable and transformative system change required in the international financial architecture.

2. TED 6: Quantitative elements of the NCQG (including actors, instruments and sources)

Summary: Recognising that the final elements of the goal will be agreed in 2024, participants should discuss in more detail how the quantitative nature of the goal can be set out, and recognise how this would relate to the qualitative elements of the goal.

Parties would have the chance to deliberate on whether the NCQG should have one or more quantitative elements and which elements need to be quantified. Participants should discuss how these quantitative elements can be determined to ensure that climate finance can be made more effective through precise targeting of finance to needs and outcomes.

Associated elements of the discussion could include the following: Thematic areas; Channels; Sources; Instruments; Geographies; Contributors and recipients.

This TED could usefully produce a clear appraisal of which elements it is agreed should be included in the new goal, and where further discussion is required establish follow up discussions with a view to reaching agreement in time to prepare a recommendation for the negotiations at COP28

3. TED 7: Delivering a new goal which enables the delivery of Article 2.1c and Article 9

Summary: Participants would benefit from the opportunity to discuss how the goal, including qualitative elements, can be framed such that it:

- a. Meets developed country Parties obligations under Article 9 of the Paris Agreement, by providing financial resources to assist developing country Parties with respect to both mitigation and adaptation needs.
- b. Creates the enabling conditions to deliver greater mobilisation of private finance and send the right signals to encourage wider alignment of all financial flows with Article 2.1c, synergising with the ongoing work of the SCF and newly established Sharm-el-Sheikh Dialogue and 'outside-the-room' processes to reform the international financial system to deliver on climate objectives.

4. **TED 8: Transparency arrangements to track progress towards achievement of the goal, including matters relating to time frame.**

Summary: The new collective quantified goal on climate finance should be underpinned by transparency arrangements that allow the effective tracking and reporting of finance flows and of progress towards achieving the goal, including both quantitative and qualitative elements. Participants would have the opportunity to discuss:

- The opportunity of tracking progress of the new goal under the ETF (both mandatory and voluntary)
- How to harmonise primary sources of climate finance data (e.g., OECD and both backward and forward-looking UNFCCC processes) to maximise clarity and consolidate climate finance data.
- Ways to address the gaps in current climate finance reporting.
- How best to track the contribution of private sector finance under the new goal, this should include wider consideration of how to track climate alignment of real economies and financial flows to deliver Article 2.1c, and the mechanisms and policy instruments being used to mobilise private finance.
- How to assess the effectiveness of climate finance in achieving mitigation and adaptation results and addressing needs
- How to monitor the thematic balance of climate finance and reflect upon the levels of flows to LDCs and SIDS
- How to record and sharing best practice in policy environments and international cooperation to set the enabling conditions for scaled up Paris-aligned investment.

This TED should lead to clear recommendations on the transparency arrangements for the new goal.

[The 2023 High Level Ministerial Dialogue on the New Collective Quantified Goal for Climate Finance](#)

The High-Level Ministerial Dialogue will be a useful opportunity for Ministers and high-level representatives to engage in an interactive discussion on outstanding political questions surrounding the new goal (as opposed to technical issues). This could include a Ministerial discussion on

- a. The scope of goal and understanding of the sources of finance needed for bridging the gap to meet total investment needs (public, private, domestic, international).
- b. How the new goal will deliver on both Article 2.1c and Article 9
- c. Reflection on the sources of public-based finance being tracked under the goal.

This session should be framed around guiding questions, seek to build on discussions that have taken place during the TEDs in 2023, and frame the conversation for 2024.

In order to make the High-Level Ministerial Dialogue as useful as possible in making progress, the UK would welcome views from Parties, and clarity and early communication from the co-chairs on what the focus of the High-Level Ministerial Dialogue will be.

[Participants for the TEDs](#)

- The organisation of the TEDs should be open, transparent and inclusive, allowing for balanced geographical representations and the wide participation of all relevant stakeholders.

- The discussion will greatly benefit from the participation of IFIs, MDBs, Finance Ministries, Central Banks, and Private Sector actors, coalitions (such as GFANZ) and groups such as the Independent High Level Expert Group on Climate Finance.
- The views of civil society, youth, academia and external technical experts should also be considered in the technical expert dialogues.

Expectations for a COP28 outcome on the New Collective Quantified Goal for Climate Finance

Parties acknowledged the need for substantive progress in the deliberations on the new collective quantified goal on climate finance, which will be in line with decision 14/CMA.1. The UK expects that this should result in an outcome at COP28, which puts us on the path to concluding discussions on the new goal by 2024.

For the outcomes of COP28, the UK recommends:

1. The COP28 decision should set out more detail on the headline structure of the goal, and frame the key final topics for agreement in 2024, without pre-determining interdependent substantive elements in advance of 2024
2. The co-chairs summary report could propose draft decision text for the COP28, or elements to inform in-session papers and non-papers.

Suggestions for the role of co-chairs in facilitating progress for the NCQG Work Programme

The UK expects that co-chairs will develop and publish a workplan for 2023 by March, including themes for the TEDs to be held in this year, including clear and succinct guiding questions circulated well in advance of submission deadlines. The themes for the TEDs in 2023 should facilitate progress in reaching consensus on actionable proposals which encourage ambitious and innovative solutions to establishing a new goal. The co-chairs should ideally work with the Secretariat to ensure a compilation and synthesis of Party submissions are prepared in advance of the TEDs so these can inform deliberations at the TEDs.

To drive forward progress, the co-facilitators could consider consultations with Parties to better understand views explored in the TEDs or related submissions, particularly where these reflect outlying positions.

Information should be provided on the discussions held and present actionable options on the way forward, following each TED and in their annual report on the ad hoc work programme. This should inform the high-level ministerial dialogue on NCQG on climate finance in 2023 and negotiations at COP28.

The UK would like to thank the co-chairs and secretariat in advance, and we look forward to engaging with Parties through this year on this important topic.