



## NEW ZEALAND

### **Submission on the issues to be addressed as part of the NCQG work plan referred to in paragraph 11(a) of FCCC/PA/CMA/2022/L.19**

**March 2023**

#### **Context**

1. Aotearoa New Zealand is pleased to provide a submission on the 2023 work plan and fifth Technical Expert Dialogue (TED) for the new collective quantified goal (NCQG) for climate finance. A significant amount was learned last year about both the potential content of the NCQG and the efficacy of the 3-year work programme under way to enable its negotiation.

2. TEDs 1-4 last year were largely conceptual and useful for exchanging views on high-level elements of the NCQG. However, we agree with the sentiment widely shared at COP 27 that more direction and greater concrete progress is needed in 2023. We think this year can begin shifting focus to some more discrete components of the NCQG with the goal of ending 2023 with a co-Chairs note providing concrete options to support negotiations in 2024.

#### **2023 Work plan and suggestions for topics for the TEDs to arrive at a more substantive outcome this year, particularly on recommendations for the various aspects of or options for the goal**

3. Aotearoa New Zealand would like to see a work plan in 2023 that carefully selects TED topics in a way that would facilitate the creation of a co-Chairs note containing substantive options ahead of COP 28. The note should serve as tool to further structure and focus negotiations towards an outcome in 2024. It should reflect the diversity of options and dependencies for each core element of the NCQG articulated by participants in TEDs 1-7.

4. This will require focusing on material parts of a new goal and ordering topics so that prerequisite issues have been adequately discussed prior to the TED on a given topic. For example, we observe that it is difficult to discuss quantum before having discussed issues such as timelines, thematic coverage, and the balance between finance associated with Articles 2.1(c) and 9 of the Paris Agreement in the goal.

5. Towards these ends, New Zealand proposes the following order of TEDs in 2023:

- **TED 5: Timeframes and transparency**
  - We heard shared interest from a wide range of Parties at COP 27 to discuss potential NCQG timeframes early 2024. This would be useful to thoroughly discuss the possible NCQG timeframes (including duration of goal, and alignment with the Global Stock Take or NDCs) and the advantages and disadvantages of each option from the perspective of Parties.
  - Alongside timeframes, TED 5 should also consider transparency arrangements and how to monitor progress towards the NCQG. This includes synergies with timing of the Global Stocktake and NDCs.
  
- **TED 6: Structure Part 1 – The balance between finance associated with Articles 9 and 2.1(c) of the Paris Agreement**
  - To enable the production of a useful options paper at the end of 2023 it is critical to begin discussing structure at the TEDs. The first part of this should be how the NCQG can be structured to address both financial support provided by developed countries to developing countries under Article 9 and wider climate finance flows as articulated in Article 2.1(c). The contributor base should also be discussed as part of this.
  - The balance of Article 9 and 2.1(c) finance within the NCQG sits at the core of these negotiations. We view this as a critical issue and think that discussing it early in 2023 and identifying options for it will help clear space for discussions on other issues this year and next, including on quantum.
  
- **TED 7: Structure Part 2 - Thematic, sectoral and actor structure considerations**
  - A second TED on structure can build off the previous suggestion for TED 6 and focus on other structural elements. These include, for example, there should be separate quantitative sub-target for climate finance flows to specific sectors, thematic areas such as adaptation, or to specific country types or regions.
  - In covering these topics TED 7 should also specifically address linkages between the NCQG and the Global Goal on Adaptation, the work towards establishing funding arrangements to address loss and damage, and the work programme for urgently scaling up mitigation ambition and implementation.
  - TED 7 should also dedicate time to Parties discussing the focus of the NCQG High-Level Ministerial Dialogue for COP 28.
  
- **TED 8: Innovative sources of finance**
  - Focusing TED 8 on innovative sources of finance would be a good choice as one that would be appropriate for a single day alongside COP 28. It is also a topic of wide relevance to climate finance conversations and so a good fit for the broader attendance and discussions that will be taking place at COP 28.

#### **Specific views on TED 5:**

6. As mentioned above, Aotearoa New Zealand proposes TED 5 focus on timelines, transparency arrangements and principles for TED 5.

7. Aotearoa New Zealand would like to see the co-Chairs produce a note after TED 5 capturing the essence of discussions and outlining representative options for how the topics addressed could be reflected in the new goal.

8. The note should be combined with similar outputs from TEDs 6 and 7 to produce the combined co-Chairs options note ahead of COP 28.
9. The overall format of guiding questions plenary sessions, expert speakers, and breakout sessions used in previous TEDs remains appropriate for TED 5.
10. However, as stressed at COP 27, Aotearoa New Zealand believes future TEDs (including TED 5) would benefit from more and deeper engagement of external technical experts than occurred in 2022. This should include their active participation in breakout groups in addition to presentations so that Parties can have more interaction with them and best benefit from their expertise.
11. For the topic of timelines, it would be useful to have the participation of representatives from other key work streams with which the NCQG must synergise, including the Global Goal on Adaptation, the work towards establishing funding arrangements to address loss and damage, and the work programme for urgently scaling up mitigation ambition and implementation.
12. We also think it is critical that the guiding questions are shorter, more clearly worded than those in previous TEDs, and direct discussion towards the outcomes we need to be agreed in 2024.