



**Government of the Republic of Vanuatu**

**Submission of Views on Issues to be Addressed as part of the Workplan [paragraph 11(a) of FCCC/PA/CMA/2022/L.19]**

**Issue:** New collective quantified goal on climate finance

**Mandate:** FCCC/PA/CMA/2022/L.19, para. 12

**Call:** Parties to submit views on the issues to be addressed as part of the workplan referred to in paragraph 11(a) of FCCC/PA/CMA/2022/L.19

*9. Also acknowledges 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 and take into account the needs and priorities of developing countries and include, inter alia, quantity, quality, scope and access features, as well as sources of funding, of the goal and transparency arrangements to track progress towards achievement of the goal, without prejudice to other elements that will also be considered as the deliberations evolve, including matters relating to time frame;*

11. Requests the co-chairs of the ad hoc work programme on the new collective quantified goal on climate finance, with a view to significantly advancing substantive progress in 2023, to:

(a) Develop and publish by March 2023 a workplan for 2023, including themes for the technical expert dialogues to be held in that year, in accordance with paragraph 9 above and taking into account the submissions referred to in paragraph 12 below;

*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;*

**Background**

By decision [1/CP.21, para. 53](#), Parties decided that, prior to 2025, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) shall set a new collective quantified goal (NCQG) from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries.

The CMA, by decision 14/CMA.1, decided to initiate deliberations on setting the NCQG. By decision 9/CMA.3, Parties agreed that deliberations on the NCQG be set up around the following elements:

- Ad hoc work programme
- Submissions by Parties and non-Party stakeholders
- High-level ministerial dialogues
- Stock-takes and guidance by the CMA

### **Considerations for the workplan**

In response to the call for submission of views on the issues to be addressed as part of the workplan referred to in paragraph 11(a) of FCCC/PA/CMA/2022/L.19, Vanuatu would like to share its views on considerations that could possibly be included. Proposed considerations are presented below.

It is vital that there is clarity and reassurance on the continued provision and mobilization of climate finance from developed to developing countries, and clarity on how the objective of the NCQG can be effectively included and addressed in the work plan. Strong reassurances that the required mobilization of climate finance will be met by developed countries need to be made. There is the risk of double standards and the concerns that Article 2.1c will be used as a distraction from the provision of climate finance from developed to developing countries, any inclusion of Article 2.1c in the final NCQG decision text will rely on the presence of strong reassurances regarding climate finance provision to be made by developed countries. These could include reaffirmations that climate-consistency of finance flows are pursued in all countries, with developed countries taking the lead.

Developing countries such as Vanuatu need support to engage in financial strategies and plans [without making this a precondition for support]. Relevant support to enable developing countries to engage in the development of these strategies is urgently required. The NCQG was recently introduced and requires a range of processes to be set in motion simultaneously and in a well-coordinated manner, while considering a range of incentives, including the private sector, that will drive finance flows. There is the acknowledgement that these processes may extend into domestic boundaries such as laws and taxes [unless international law is applied], and how decisions are affected by these processes. Decision text of the NCQG could refer to modalities by which developing countries are supported to develop financial strategies towards operationalizing Article 2.1c that interact with economic growth, macroeconomic stability and other country-led priorities, but that do not introduce conditionalities on climate finance access.

The role of the operating entities of the Financial Mechanism and other interlinked funds needs to be properly recognized and elaborated on to meet the requirements of the Paris Agreement. Pursuing the achievement of Article 2.1c could reinforce emerging developing country needs determination, engaging capacity, technology and finance, as well as developing and contextualizing enabling policy, legal and regulatory frameworks: ultimately making climate finance more efficient and effective at achieving climate change mitigation and adaptation outcomes. A proposed consideration for the workplan would be for the NCQG to mandate one or more of the UNFCCC-linked funds to support efforts to operationalize the Paris Agreement and orient results frameworks and operations to this end.

There are wider actors who could potentially be engaged in operationalizing NCQG and the Paris Agreement – their role needs to be recognized and enabling environments need to be provided for these actors to effectively contribute to the achievement of the NCQG. Fundamental transformations in financial markets and investments are required to realize the goals of the Paris Agreement. There is an increasing acknowledgement of interlinkages between climate action and structural inequalities [inequalities that disadvantage developing countries like Vanuatu], and while these inequalities cannot realistically be fully addressed within a short period of time, the NCQG decision text could provide strong and clear political signals and calls to action to specific stakeholder groups – these considerations could be considered in the workplan.

There needs to be clear linkages between the NCQG with other agenda items and UNFCCC processes. Vanuatu sees the NCGQ on climate finance as a possible mechanism for the provision and flow of finance from developed to developing countries. The NCQG process is currently unlikely to serve the needs of developing countries unless there is enhanced clarity on all relevant processes for reaching the goal and accessing funds - all countries and their institutions need to make finance flows climate-consistent and there needs to be clarity and consensus on how progress can be measured and accounted for. The NCQG decision text can, however, make reference to other processes that may emerge – such as a 2.1c agenda item and workplan – or to existing processes such as the Global Stocktake and Enhanced Transparency Framework that already have mandates to assess collective progress towards the long-term goals of the Paris Agreement or could include provisions to detail action taken and support provided and mobilised for Article 2.1c, respectively.

Vanuatu deems it essential that in all deliberations, the NCQG serves the ideals of the Paris Agreement, makes climate finance more easily accessible for developing countries, specifically the PSIDS and SIDS, ensures processes for climate finance access are simplified, does not create an ‘added’ burden for developing countries on ‘access’, and provides relevant technical support and guidelines for the achievement of increased access to climate finance with maximum benefits to vulnerable communities.

**END**