# **New Collective Quantified Goal**: Quantity, mobilisation, and provision of financial sources

## UK Submission: Technical Expert Dialogue 6 (TED-6), May 2023

Context

The UK would like to reiterate the collective agreement that the New Collective Quantified Goal (NCQG) should aim to contribute to accelerating the achievement of Article 2 of the Paris Agreement and its complementarity with Article 9 and should support efforts to limit the temperature increase to 1.5 °C[[1]](#footnote-2). The science shows us that urgent action must be taken[[2]](#footnote-3).

In addition, Parties have agreed that deliberations on the NCQG come in the context of sustainable development and efforts to eradicate poverty, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development[[3]](#footnote-4). Lastly, Article 9 of the Paris Agreement states that mobilising climate finance is a global effort[[4]](#footnote-5), and deliberations on the NCQG should take part in this context.

**How the quantum should be set**

The evidence on climate finance is that the needs to create such a major transformation outweigh what is currently being mobilised[[5]](#footnote-6). Taking into account the challenges presented by the science, the broad range of estimated needs, and the mandates within previous agreements, the NCQG should consider all flows of finance; public and private, domestic and international.

As part of a global effort, public finance should continue to play a catalytic role in mobilizing climate finance from a wide variety of sources, instruments and channels, through a variety of actions, including supporting country-driven strategies. Such mobilization of climate finance should represent a progression beyond previous efforts[[6]](#footnote-7). The new goal should also build on the lessons learned from the $100bn goal, be based on evidence and transparency, and foster trust between parties.

Components of the NCQG

In light of the ad hoc work programme’s request to develop recommendations with options on the various elements of the goal, the UK believes that in order to learn the lessons of the past, the process by which the NCQG is set should seek to build a new paradigm. To achieve this, the new goal should consider a number of components, for example:

* A global investment target;
* An international public mobilisation support target;
* Possible quantitative targets representing realignment of finance flows with the goals of Paris; and,
* Qualitative targets associated with the realignment of finance flows with the goals of Paris.

The UK believes this approach builds on successful negotiations elsewhere, particularly at the UN Biodiversity Conference (Fifteenth meeting of the Conference of the Parties (COP-15) to the Convention on Biological Diversity (CBD). Discussion at the upcoming TED-6 could then consider each of these components to broach the full scope of the NCQG. The UK would support key thematic areas to be discussed in line with these components including channels, sources, instruments, geographies, contributors and recipients. Through this we can build on the outcomes of TED-5 on the structure of the goal and the associated timeframes. This will further lay the groundwork for TED-7 to progress thinking on ensuring transparent and consistent monitoring and reporting processes.

**Mobilisation and provision of financial resources, including contributors, sources and integration with Article 2, paragraph 1 (c) of the Paris Agreement**

As noted above, the mobilisation and provision of financial resources, including contributors, sources and integration with Article 2, paragraph 1 (c) of the Paris Agreement, and its complementarity with Article 9, is necessary to keep 1.5°C within reach. In practice, this will mean *both increasing financial flows aiding the green transition, and the realigning of those which run counter to it*. In addition, the contributors and sources that are comprised within the NCQG paradigm will in turn influence the final composition of the goal. In line with this, the UK considers that the NCQG presents an opportunity to explore how the realignment can be contributed to by those in a position to do so.

Increasing Green Financial Flows

In light of the ad hoc work programme’s request to develop recommendations with options, the UK believes that integrating 2.1c will involve bolstering domestic regulatory frameworks, supported by globally consistent standards. The UK has been progressing its own framework through the Green Finance Strategy, updated in April 2023[[7]](#footnote-8).

The UK recognises that finance and investment is needed to aid the transition. Noting the work of the Standing Committee on Finance (SCF) forum on financing a just transition, the NCQG should also ensure synergies with related work on Article 2.1c, to understand best practice for policies that stimulate green growth and job creation.

Realigning Financial Flows

The role of the NCQG with respect to Article 2.1c should also be to set an ambitious quantitative target on the realignment of financial flows that run counter to a green transition, not least to ensure that progress is made towards fulfilling the mandate set by the Paris Agreement. This target will be supported by continued Article 9 provisions and concurrent work to strengthen regulatory frameworks.

The new goal process should interact with the wider international financial architecture reform agenda, to support the aim of delivering additional climate and nature finance and improve the alignment of financial flows with Article 2.1c. As such, although the reform agenda and the New Goal process remain distinct, there is scope for alignment between the two.

**TED6 Format**

The UK expects that the co-chairs will develop a format for TED-6 which will facilitate clear and targeted discussions, with opportunities for all to input, and output recommendations with options ahead of COP28.

We consider that initial engagement around a framework for how the quantum should be set with multiple components, will provide a good foundation to bring into scope discussion around both mobilisation and provision of financial resources.

Given the time allocated to TED-6, the UK would advocate for the use of working groups with feedback in plenary as was used in TED-5 as we consider that this format provides opportunities for all voices to be heard and ensures that conversations remain targeted.

1. 1/CMA.3 [↑](#footnote-ref-2)
2. [*AR6 Synthesis Report: Climate Change 2023*](https://www.ipcc.ch/report/sixth-assessment-report-cycle/) [↑](#footnote-ref-3)
3. 14/CMA.1 [↑](#footnote-ref-4)
4. 1/CP.21 [↑](#footnote-ref-5)
5. Latest estimates compiled by the Independent High-Level Expert Group on Climate Finance range from $400bn-$9.2trillion (p. 91, November 2022, [*Finance for climate action: scaling up investment for climate and development, Report of the Independent High-Level Expert Group on Climate Finance*](https://www.lse.ac.uk/granthaminstitute/publication/finance-for-climate-action-scaling-up-investment-for-climate-and-development/)). [↑](#footnote-ref-6)
6. 1/CP.21 [↑](#footnote-ref-7)
7. [*Mobilising Green Investment - 2023 Green Finance Strategy*](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1149690/mobilising-green-investment-2023-green-finance-strategy.pdf) [↑](#footnote-ref-8)