



The International Chamber of Commerce (hereafter ICC) – in its role as Focal Point to the UNFCCC Business and Industry NGOs (hereafter BINGO) Constituency and as institutional representative of more than 45 million companies in over 150 countries welcomes the opportunity to provide its views on the issues to be addressed in and the format of the forthcoming Sixth Technical Expert Dialogue under Ad hoc Work Programme on the New Collective Quantified Goal on Climate Finance (hereafter NCQG), for consideration by the Co-Chairs.

General

ICC and BINGO welcomed the decision taken by the third Conference of the Parties serving as the meeting of the Parties to the Paris Agreement in Glasgow, setting up a process for the deliberations on the NCQG. Recalling decision FCCC/PA/CMA/2021/L.17 paragraph 15 and 16¹ as well as decision 1/CP.21 paragraph 53 and decision 14/CMA.1, the objective of the NCQG is to serve and contribute to the goals of the Paris Agreement and support its successful implementation in a most ambitious way.

In our view, this particularly entails that the new finance goal supports and contributes to every effort to limit the temperature increase to 1.5°C above pre-industrial levels, and mobilises the resources necessary for its achievement, considering the needs and priorities of developing countries. Business and Industry sees the NCQG as a milestone towards setting climate finance priorities in this critical decade, and building the financial infrastructure needed to finance the transition to a 1.5°C economy.

While its primary focus should be on contributing to enhanced mitigation and adaptation efforts, it is important that the new finance goal also helps to foster resilience, food production and enables a sustainable development more broadly. The NCQG process further needs to take consideration the broader finance landscape, in particular current discussion on the reform of the international financial system as well as, building on Article 2.1 (c) and Article 9 of the Paris Agreement, contribute to making all public and

¹ Paragraph 15 and 16 of decision FCCC/PA/CMA/2021/L.17 state “[...]the new collective quantified goal aims at contributing to accelerating the achievement of Article 2 of the Paris Agreement of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change; increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. Also decides that the consideration of the new collective quantified goal will be in line with decision 14/CMA.1 and take into account the needs and priorities of developing countries [...]”.



private sector finance and investment consistent with the Paris Agreement goals and achieving a net zero emissions economy by 2050.

An ambitious and robust outcome of the NCQG process in 2024 will be critical to send clear signals to governments and markets, at a time when we are moving ever forward with the implementation of the Paris Agreement, alongside the Global Stocktake process and the next set of Nationally Determined Contributions.

Business recognises that work pertaining to the new collective quantified goal advanced over the course of last year and we thank the Co-Chairs and Parties for their efforts. However, it is imperative for countries to make good progress in discussions and work this year in order to successfully conclude deliberations at COP29. ICC and BINGO remain steadfast to actively support the COP Presidencies and all Parties in achieving this goal on our collective and mutual behalf and we are looking forward to constructive and collaborative exchanges this year that are open, inclusive and transparent, and ensure participatory representation as outlined in decision -/CMA.3.

What specific issues should be proposed for in-depth discussion at the sixth technical expert dialogue, with a view to identifying clear options regarding: How the quantum should be set; and Mobilisation and provision of financial resources, including contributors, sources and integration with Article 2, paragraph 1 (c) of the Paris Agreement?

With regards to the above mentioned key areas, business recommends that the sixth technical expert dialogue focuses on the following specific issues, without prejudice to topics and elements to be identified as the deliberations evolve:

- **Setting the quantum:** While business recognises the importance of a discussion on the quantum – as the very essence of the new goal and as an important element that is likely to be the last to be agreed upon in the political process in 2024, we emphasise the need to focus the discussion at this stage on the process and methodology that can lead to its setting and also implementation. From a private sector perspective the process should be both well defined, and clear to be used also in the future deliberations.



For the process to be successful, several elements need to be taken into consideration, most importantly (i) collection and analysis of the sources of data needed that can help identify existing barriers and challenges; (ii) lessons learned from the goal of developed countries of mobilising jointly USD 100 billion per year by 2020; (iii) methodology and mechanism to regularly assess the needs and priorities of developing countries; (iv) as well as transparency and accounting arrangements that provides assurance to developing countries that will allow for higher ambition in climate action.

- **Mobilisation of financial resources with focus on sources and contributors:**

Business encourage discussions to focus on how to mobilise climate finance from a floor of USD 100 billion per year, as per Decision 14/CMA.1, by particularly looking at ways to broaden existing sources of climate finance, including through broadening the contributor base, existing financing instruments that could be leverage further – in particular carbon credit markets including Article 6 market mechanisms and the voluntary carbon markets – as well as innovative financing tools, by also strengthening the mobilisation of the private sector through enabling policies and incentives, and encouraging South-South financial flows. Business particularly emphasises the need for discussion to start reflecting on innovative approaches to the new goal and creative solutions that could help address some of the existing barriers and broaden the range of sources and contributors for climate finance. Also considering on-going discussions on the reform of the international financial architecture will be important, as these institutions can play a major role in incentivising private capital, de-risking instruments, and providing greater concessional finance.

Business further considers that the NCQG needs to move past the 'donor-recipient' model towards a more collaborative and innovative approach that should ensure that all relevant stakeholders (e.g. MDBs, IIFS, insurance, re-insurance, infrastructure developers etc.) are involved. While public finance will continue to be a key source, a broad range of new sources were used and entertained over the past that could play an important role to complement public financing efforts to the quantitative goal and/or potential subgoals.

ICC and BINGO recognise the important role of private sector financing in achieving a massive scale-up needed in climate finance. Further discussion and



clarity, under the NCQG, on the private sector as a complementary source of finance are critical in this regards. It is will be equally important to provide clarity on how public-private partnerships, blended finance and other instruments are considered under the NCQG.

- **Integration with Article 2, paragraph 1 (c) of the Paris Agreement:** Business recognises the interlinkages of discussion on the NCQG and Article 2.1(c) of the Paris Agreement, as well as other agenda items on finance inside and outside the UNFCCC process. We would welcome an in-depth discussion on how the new goal can contribute to achievement of Article 2.1(c), including efforts being undertaken to increase the demand for climate-related finance and investment but also reiterate in this regard the importance for discussion to also look at broader discussions outside the UNFCCC process in order to ensure coherence, coordination and a holistic approach.

What should be the format of the sixth technical expert dialogue, noting that it is shorter in duration compared to the fifth dialogue.

Business appreciates efforts made by the Co-Chairs and the UNFCCC Secretariat to ensure participation and involvement of non-Party-stakeholders in the past technical expert dialogues. We further welcomed previous format of technical dialogues, organised in general presentations of options, breakout groups and general discussion.

We encourage the Co-Chairs to apply a similar approach for the forthcoming dialogue, where day 1 could focus on a brief general opening presenting the format, agenda and issues followed by more in-depth presentations of the first two issues of setting the quantum and mobilisation of financial resources with focus on sources. After the presentation session parallel running breakout groups would address both issues. Providing three key questions on each topic could help focus and guide discussions. The day will end in a report back sessions.

Day 2 would address the remaining issues of mobilisation of financial resources with focus on contributors and integration with Article 2, paragraph 1 (c) of the Paris Agreement in the same format. After the report session on the Day 2 beak-out sessions, participants can provide reflections in a general discussion session.



For the focused presentations, it would be of value to invite external technical experts from multilateral development banks, international financial institutions and in particular the private sector, financial sector that has valuable expertise and experience to bring to the discussions. It is further important to ensure that deliberations are well structured and focused, that enough time is provided for meaningful engagement, and to encourage broad and diverse participation of actors from governments, including finance ministries, multilateral development banks, private sector, financial sector, civil society, youth, indigenous peoples, academia.