

Saudi Arabia on behalf of the Arab Group

Submission on the Sixth Technical Expert Dialogue under the Ad Hoc Work Programme of the New Collective Quantified Goal on Climate Finance (NCQG)

Introduction:

The Arab group aims to continue to actively participate and advance the discussion within the Technical Expert Dialogues under the Ad Hoc Work Programme of the New Collective Quantified Goal on Climate Finance, with a view to obtaining an early harvest on priority elements of the goal in the upcoming CMA session. The Arab group welcomes the new format and structure exhibited in the Fifth Technical Expert Dialogue and encourages the co-chairs of the Ad Hoc Work Programme to continue to enable fruitful discussions.

The Arab group finds it regrettable that the principles of the United Nations Framework Convention on Climate Change and its Paris Agreement continue to be called into question and diluted. We note that despite a written submission outlining that the NCQG shall be framed within these principles and many interventions during TED5 from multiple member countries, the principles of equity and common but differentiated responsibilities did not feature in the summary report for TED5.

To move forward productively, the views of all participants of the TEDs should be reflected in the summaries fairly and accurately. Summary reports of TEDs should provide concrete options to the CMA to deliberate on and as such rely on information to be accurately and concisely reflected.

Issues to be discussed within TED 6:

- The following guiding questions can frame discussions on how the quantum should be set, which have been based on the original mandate of the NCQG emanating from the Paris Decision:
 - How can the quantum be set in a manner to reflect the needs and priorities of developing countries?
 - How can we identify the needs and priorities of developing countries? How can the needs and priorities of developing countries be quantified?
 - Should the NCQG processes determine a set and recurring process and methodology to determining the quantum?
 - Are there any relevant reports or bodies that can assist in determining the quantum?
 - How can the quantum reflect different national circumstances and sustainable development priorities?

Input on Issues Proposed by Co-Chairs:

On the suggestion to identify clear options on the mobilization and provision of financial resources, including contributors, sources and integration with Article 2, paragraph 1(c) of the Paris Agreement.

Despite a submission and interventions clarifying that the Arab group position is that the New Collective Quantified Goal on Climate Finance must be framed within the parameters outlined in Article 9, the guiding questions focus exclusively on Article 2, paragraph 1(c) of the Paris Agreement. It is unclear why the mobilization and provision of finance, which is described under Article 9, should be discussed with the aim of integration with Article 2, paragraph 1(c) of the Paris Agreement. In addition, any discussion

on Article 2.1c must be in the context of sustainable development and efforts to eradicate efforts in line with the Paris Agreement and in a manner to reflect the principles of equity and common but differentiated responsibilities, as well as the entirety of Article 2.

On the contributors to finance provided and mobilized, Article 9 paragraphs 1, 2 and 3 outline finance obligations. The New Collective Quantified Goal on Climate Finance does not have the mandate to discuss contributors to the goal as it has never been cited in a previous decision. The discussion on contributors is therefore not substantiated by the NCQG's mandate and the options discussed therein will not be useful to the CMA as it does not have a mandate to respond to such options. The exploration of contributors will not yield any productive outcome and the options produced cannot be decided upon within the NCQG agenda item this upcoming CMA in any case. The co-chairs of the ad hoc work programme of the NCQG, should therefore ensure that the topics of the technical expert dialogues are substantiated by the mandate of the NCQG.

The means of implementation and support obligations are already defined within the Convention and its Paris Agreement, and as a finance goal under the Paris Agreement, the matter of contributors to the NCQG has already been agreed by Parties within Article 9 upon the adoption of the agreement. The CMA will need to reach a consensus to re-open previously agreed principles and provisions, and as such, any discussion on contributors through the ad hoc work programme will not lead to progress in the upcoming CMA discussion this year.

In reviewing the original mandate of the NCQG from COP decision 1/CP.21 paragraph 53:

Also decides that, in accordance with Article 9, paragraph 3, of the Agreement, developed countries intend to continue their existing collective mobilization goal through 2025 in the context of meaningful mitigation actions and transparency on implementation; prior to 2025 the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement shall set a new collective quantified goal from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries;

The NCQG is the continuation of developed countries' goal of mobilizing USD 100 billion per year and is in the context of Article 9 of the Paris Agreement. Furthermore, the goal shall be set in a manner that takes into account the needs and priorities of developing countries.

Structure of TED6:

On structure, with limited time, focusing the discussions on quantum, contributors, sources and Article 2.1c will not allow for adequate time to address how the quantum can be formulated to reflect the needs and priorities of developing countries. How to determine the quantum on its own will require the entirety of the allocated time, as there are many views on how this can be achieved. The Arab group views the discussion on quantum as a critical element within the NCQG. We view that the quantity shall be determined based on the needs and priorities of developing countries using a bottom-up approach.

The process to determine the quantity shall be recurring, setting a methodology and mechanism in place to repeatedly assess the needs of developing countries in a recurring manner to define future finance-related goals. A mechanism and methodology to determine the quantity should be put in place to enable future determinations of the quantity in a recurring manner. The quantity should incorporate finance gaps from developed countries, considering developed countries' previous shortcomings in

delivering on their finance support obligations. Building on lessons learned, the quantum should be developed in a manner that allows for strong accountability and transparency arrangements for developed countries. In that regard, tracking progress on the goal should be recurring. In that regard, a detailed framework detailing the elements of the NCQG as defined in 9/CMA.3 paragraph 16 and how the goal will be implemented by developed countries is needed. Finally, the discussion on the quantum should take place in a manner that enables the upcoming discussion on quality of finance in TED7.

Given the urgent need for climate action, deliberations on the quantum must leverage the Needs Determination Report issued by the Standing Committee on Finance and adopt a precautionary approach in doing so. While some view the need to improve the quality of data provided in relation to estimations of costs, it must be recognized that the world cannot wait until the data quality is perfect before moving on climate priorities. The quantum should be based on the costs outlined in the Needs Determination Report, reflecting the needs and priorities of developing countries as outlined in their national plans (NDCs, NAPs etc.) in order to effectively account for different national circumstances. The quantum should also reflect all developing countries' needs to implement the Paris Agreement, including capacity building and technologies in line with country plans and approaches. Furthermore, with enhanced support, the quality of data will improve in future iterations. As such the precautionary principle must frame discussions on the quantum, as it has formed the basis of climate discussions decades ago. The needs of developing countries are in the trillions according to the Needs Determination Report, with a range of USD 5.8-11 trillion. The Needs Determination Report can be supplemented by regional needs report to effectively reflect the needs of Arab countries.

The discussion on the quantum should be had in the context of the timeframe (2025-2030), with an understanding that the quantum will update and renew after that period. The focus on timeframe will allow us to define the quantum based on the needs and priorities of developing countries within a specified period and the period should be short enough for the quantum to remain relevant. The discussion on the quantum should also be informed by the ongoing discussions on the Global Goal on Adaptation. Strong transparency arrangements are needed to track progress on developed countries' delivery of the quantum and the need for a climate finance definition that advances transparency efforts should be discussed as well. The quantum should reflect a balance between Mitigation and Adaptation, recognizing the urgent need for adaptation actions in developing countries.

In line with article 4, paragraph 5, of the Paris Agreement, it must be recognized that support determines ambition in developing countries. For ambition to increase in developing countries, developed countries must scale up the means and implementation of support. In line with Article 4, paragraph 7, of the Convention, the extent to which developing countries effectively implement their commitments depends on the effective implementation by developed countries of their commitments related to financial resources and transfer of technology, taking into account that economic and social development and poverty eradication are the first and overriding priorities of developing countries.

To allow for adequate time to discuss the nuances of this issue and to explore the various positions and ideas from Parties and non-Parties alike, TED6 should focus solely on how a quantum can be determined. Other important issues regarding quantum should be discussed in the context of lessons learned from the developed countries' goal to jointly mobilize USD 100 billion per year and reflect findings from the IPCC that indicate that the most significant opportunities to close climate finance gaps exist in developing countries.

The decision-making process of determining the quantum, including in determining the approach to discuss quantum at the technical level, needs to be inclusive, taking into account perspectives from all countries, especially developing countries.