

India on behalf of the Like-Minded Developing Countries Group (LMDC)

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 Like-Minded Developing Countries 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 LMDC 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 LMDC 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 LMDC position is that the New Collective Quantified Goal on Climate Finance must be framed in the context of Article 9 of the Paris Agreement, the guiding questions focus exclusively on Article 2, paragraph 1(c) of the Paris Agreement. The mandate for the NCQG is derived 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;

It is clear that the NCQG is the continuation of developed countries' goal of mobilizing USD 100 billion per year and is in the context of Article 9, paragraph 3, of the Paris Agreement. Furthermore, the goal shall be set in a matter that takes into account the needs and priorities of developing countries.

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 poverty 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.

Article 9, paragraphs 1, 2 and 3 outline finance obligations and makes it clear that developed countries are to provide finance to developing countries. 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 in the NCQG process 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 process.

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.

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 LMDC 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. Discussions on the quantum cannot take place without the context of the timeframe. As the quantum will differ across different timeframes. 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.

In that vein, and in line with article 4, paragraph 5, of the Paris Agreement, it must be recognized that support determines ambition in developing countries. 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.



Figure 1: Illustration of the recurring process of the NCQG

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.