

## **LDC's views on specific issues to discuss in the seventh technical expert dialogue (TED 7) of the ad hoc work programme on the new collective quantified goal on climate finance (NCQG)**

The LDC group welcomes this opportunity, based on guidance provided by NCQG co-chairs, to provide views on specific issues to discuss in TED 7, regarding: (1) the qualitative scope of the goal, (2) the transparency arrangements under the NCQG, and (3) the format of the seventh technical expert dialogue.

### **1. Issues to discuss on the qualitative scope of the goal:**

Many Parties, including LDCs, have mentioned that defining the NCQG is not only about quantity but also about quality of climate finance. This approach implies consideration of qualitative elements that are complementary to an aggregate quantum.

Building on discussions from previous dialogues five and six, TED7 should at least consider the following issues, aiming to identify options for implementation as part of the NCQG outcome:

- a) Improving access to climate finance: discuss how the NCQG outcome could ensure that access to climate finance is faster, streamlined, more predictable, and overall less burdensome, particularly for vulnerable and capacity-constrained countries. This discussion should consider how access features may be different depending on sources and channels of finance.
- b) Providing finance modalities and instruments consistent with the needs of developing countries: These issues are closely related to the scope and structure of the quantitative component of the NCQG. Delivery of the NCQG should minimize impacts on debt levels of developing countries and should consider the best instruments and concessional modalities (including grants) that respond to the needs and priorities of developing countries. The ODA should not be counted as climate finance.
- c) Incorporating External Processes: TED7 should discuss how these issues can be effectively reflected and addressed as part of the NCQG outcome, considering that some of the processes relevant to these issues are taking place outside the UNFCCC.

### **2. Issues to discuss on the transparency arrangements under the NCQG**

TED 7 should discuss in more depth possible transparency arrangements under the NCQG, including for its tracking and assessment of delivery. This analysis should take into account the experience gained from the \$100 billion goal process. Some of the specific issues to discuss are:

- (a) Leveraging Existing Frameworks: Identify relevant mandates, bodies and processes that could be used as part of the transparency arrangements for the NCQG. Some of them are: the Enhanced Transparency Framework and Biennial Transparency Reports, and the SCF's Biennial Assessment and Overview of Climate Finance Flows (BA). Most importantly, TED7 should identify the type of relevant information available, its sources and periodicity.
- (b) Addressing Information Gaps: Identify potential deficiencies in type and quality of information required for tracking and assessing the delivery of the NCQG.
- (c) Methodological Consideration: Explore methodologies for accounting and reporting, including the definition of climate finance to be used for the NCQG.
- (d) Responsibilities for Monitoring and Reporting: Define the entities responsible for the monitoring, reporting and compliance on the NCQG.
- (e) Information Dissemination: Outline how information on the NCQG will be reported to and considered by Parties and other stakeholders.

- (f) Reporting Timeline: Align the frequency of reporting, considering timeline of other UNFCCC processes, for example NDCs, GST and BTRs.

### **3. The format of the seventh technical expert dialogue**

#### **To ensure a productive TED7, we recommend the following:**

- a) Maintain a Proven Format: TED7 should have a similar format to TED5 and TED6, combining presentations, breakout groups and plenary sessions.
- b) Focus on Technical Discussions: Incorporate presentations on the Enhanced Transparency Framework and the reporting guidelines for support provided and received, and update from the SCF on the development of the BA report and \$100 billion goal assessment.
- c) Diverse Speakers: Invite speakers from funds under the UNFCCC financial mechanism as well as from other international financial institutions (including MDBs, OECD, Oxfam) to provide insights into qualitative finance matters, and ongoing efforts to be addressed.