

OXFAM INTERNATIONAL

**Submission on the Eighth Technical Expert Dialogue (TED8) – Ad-Hoc Work Progamme of the New Collective Quantified Goal on Climate Finance (NCQG)**

COP28, marks the beginning of the final year of deliberations on the NCQG that will be adopted at COP29 in November 2024. With only one year left it is of vital importance it seems imperative to ensure that both TED8 and all upcoming elements of the work programme get even more focused on consolidating clear options on the NCQG’s various aspects such as its scope, structure or other features. With this understanding, Oxfam offers the following views to successfully orientate the TED8 scope of discussions.

**1. What specific issues should be proposed for in-depth discussion at the eighth technical expert dialogue regarding:**

**(a) Reflections on work undertaken in 2023 and bringing elements together**

TED8 should harvest and consolidate past deliberations on issues that Parties may consider to be ripe for decision, at least on a principled level. This would mean that the NCQG decision under the CMA would seek to do more than adopt procedural language and instead capture some of the substantive outputs of the NCQG work program so far, regarding some of the NCQG’s possible features. This could create space in 2024 for relevant aspects that have not been discussed with enough detail, or have not been discussed at all, at the remaining TEDs.

In Oxfam’s view, TED8 could consolidate the following elements and forward some of them for consideration by the CMA under the respective agenda item:

* **Dedicated element on the provision of public finance:** Virtually all TEDs so far have addressed, at least passingly, the imperative of continued provision of public finance to developing countries to meet their support needs. Irrespective of possible features of the NCQG related to mobilizing or shifting financial flows at large, it seems logical to capture, in the CMA decision, agreement that the NCQG will be equipped with a core goal to guide and facilitate the continued provision of public finance to developing countries (in accordance with relevant Articles of the Paris Agreement, for instance Article 9, or Article 4.5). Eventually, this would take the form of a numerical target (quantum and specifics to be decided at COP29) and be specifically distinct from other possible feature related other forms of finance.
* **Thematic subgoals:** There is wide agreement that climate finance should address various thematic areas in a balanced manner. During the past TEDs, many sides have acknowledged that, for instance, in many cases adaptation requires different types of finance than mitigation, and addressing loss and damage. It thus seems logical to set up thematic subgoals. As such subgoals would be part of the overall NCQG that will be adopted by consensus at COP29, we can assume that there would then be wide agreement on having achieved consensus. TED8 could hence consider recommending to the CMA to agree to the idea in principle to install thematic subgoals – but work out the details during 2024. (In Oxfam’s view, the NCQG should include thematic subgoals for the provision of public finance for mitigation, adaptation and addressing loss and damage, but we recognize that the inclusion of loss and damage may require more consideration during 2024.)
* **Regular review and adjustment:** It is already agreed that the setting of the NCQG should take into account the needs of developing countries. As future needs cannot be predicted at the moment when the NCQG is adopted, it seems logical, and this has been heard a lot during the past TEDs, that the NCQG will require some form of regular review and adjustment. TED8 could consider forwarding to CMA the recommendation that the CMA decides that the NCQG would be regularly reviewed and adjusted with the aim to continuously take into account the evolving needs of developing countries.
* **Process:** To enhance consolidation of options, it may be helpful if at some stage early in 2024, the work program, via the TEDs and through the work of the co-chairs, begins developing text options for the final wording of the NCQG decision text. TED8 could suggest that the CMA make decisions to that effect.
* **Consolidate discussion on needs and priorities of developing countries in the NCQG.** TED8 could focus on the most relevant proposals made to date, including
1. From TED5: As suggested above, regular reviewing and adjusting of the NCQG to ensure it properly takes into account the changing needs and priorities of developing countries, and to enhance predictability of financial resources;
2. From TED5 and TED6: Using a bottom-up approach when setting the quanta of the NCQG and its potential subgoals informed by the needs and priorities of developing countries, such as expressed in option 1(a) of TED6 Summary Note)[[1]](#footnote-6545);
3. From TED7: Designing the NCQG so it can help strengthening access to climate finance, particularly through direct access mechanisms, and building capacities of subnational governments, local communities and Indigenous Peoples. Also, ensuring that finance under the NCQG would not contribute to constricting the fiscal space and exacerbate the debt burden of indebted countries with low capacities.

**(b) Outlook for 2024**

During 2024, the remaining TEDs should focus more on not only discussing but also narrowing down options for the design of the NCQG. Several issues need dedicated attention in 2024, among them

**Structure of the NCQG:** While this has been the topic of TED6, the results seem to require further work. An early TED in 2024 narrow down current options, ideally to one potential model of a layered NCQG, with a numerical target for the provision of public finance to meet support needs in developing countries at its core. Additional layers, such as on the mobilization of finance to meet investment needs would complement the core target but be formulated as a separate feature, in order not to conflate the various types of finance needed (learning from the $100-billion-a-year goal experience).

**Inclusion of Loss and Damage:** One TED in 2024 should specifically look at options how to include addressing loss and damage in the NCQG, alongside mitigation and adaptation, thus covering the three pillars of climate action under the Paris Agreement. In Oxfam’s view, the NCQG should be equipped with a dedicated subgoal for the provision of public grant finance to developing countries to address loss and damage, alongside subgoals for mitigation and adaptation.

**Quanta:** An early TED in 2024 should continue past discussions on quantum – based on an understanding of a potential structure of a layered NCQG and its potential subgoals (see above). This should start with the identification and recognition of financial needs for the various potential layers or subgoals of the NCQG, such as estimates on needs for adaptation, addressing loss and damage and mitigation, including information available on the various types of finance needs (for instance, distinguishing between support needs and investment needs). The discussion on the quantum should, as a starting point, take into account the needs and priorities as identified by developing countries in the various processes under the UNFCCC and the Paris Agreement, existing cost estimates as found in the relevant literature, as well as other relevant information.

**Accessibility of finance to the local level:** Following the initiated discussions at TED7 on qualitative elements of the NCQG, 2024 should see a discussion on to how the NCQG could facilitate enhanced access to climate finance for local communities and marginalized groups, people and populations.

**Financial instruments:** One of the TEDs in 2024 should continue the discussion of the roles and limits of different financial instruments through which finance would be provided and mobilised under the NCQG. In this regard, particular focus should be given to how the NCQG could be designed to facilitate the provision of climate finance in ways that do not increase the debt burden of indebted countries with low capacities. During 2024, the TED process could be tasked to enhance the discussion on the qualitative aspects of the goal (initiated at TED7), on the limits and challenges posed by debt instruments and the need to ensure an adequate balance between grant-based instruments (particularly for adaptation and for addressing loss and damage) and debt instruments (with emphasis on prioritizing concessional finance), by also considering how such balance takes into account the needs and priorities of particularly vulnerable countries and communities.

**Defining climate finance** **under the NCQG**: 2024 should continue the discussion that took place at TED6 and TED7, highlighting the need for a definition of climate finance. One of the 2024 TEDs could consider the types of finance and associated specifics, in order to qualify what finance would be considered contributing to the NCQG and its potential subgoals, including clarifying how such a definition could be rooted in climate justice principles, human rights and gender justice concepts. This would have consequences regarding not only for the provision and mobilisation of finance but also for tracking and reviewing progress.

**Gender and intersectional inequalities, human rights and indigenous peoples’ rights:** One of the 2024 TEDs should include a discussion how relevant aspects of the NCQG could be equipped with strong language on gender and intersectional inequalities, human rights and indigenous peoples’ rights.

**A more inclusive, participatory and bottom-up NCQG process in 2024:** In order to ensure proper taking into account of the needs of vulnerable communities, the CMA should agree on a more inclusive and participatory process throughout 2024 that would benefit from inputs from affected communities and civil society, including women, indigenous peoples, young people and marginalized groups. Such a wider process should not only allow for more civil society participation in the TEDs but could include dedicated in-country, regional and sectorial consultations to better understand specific needs with relevance to the NCQG. TED discussions taking place in 2024 should reflect upon the outcomes of such participatory and inclusive processes. Specific elements should refer to how to adopt a quantum, structure and qualitative scope of the goal that takes into account the needs and priorities of vulnerable countries and communities, as well as on how to uphold and promote human rights, indigenous peoples’ rights and gender justice, particularly in the qualitative scope of the goal.

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1. <https://unfccc.int/sites/default/files/resource/SummaryNote_TED6_final.pdf?download> [↑](#footnote-ref-6545)