

SUBMISSION BY SPAIN AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

Madrid, 8th November 2023

Subject: Eighth Technical Expert Dialogue (TED8) under the ad hoc work programme on the New Collective Quantified Goal on Climate Finance (NCQG)

Mandate: Decision 5/CMA.4 requests the co-chairs of the ad hoc work programme on the New Collective Quantified Goal on Climate Finance (NCQG) to invite Parties, operating entities of the Financial Mechanism, climate finance institutions, observer organizations and other stakeholders, particularly from the private sector, to submit inputs on each technical expert dialogue to be held to allow for those inputs to be reflected in the organization of the dialogues.

The co-chairs invited Parties and stakeholders to submit their views on the eighth Technical Expert Dialogue (TED8) by 10 November 2023 to share ideas on:

- 1) What specific issues should be proposed for in-depth discussion at the eighth technical expert dialogue regarding:
 - Reflections on work undertaken in 2023 and bringing elements together; and
 - Outlook to 2024.

- 2) What should be the format of the eighth technical expert dialogue.

a. Reflections on work undertaken in 2023

We thank the Co-Chairs for a well-structured and well-conducted work programme for the past three Technical Expert Dialogues in 2023, exploring 1) the temporal scope and structure of the goal, 2) quantity and mobilization and provision of financial sources, and 3) quality and transparency arrangements. We believe that we have covered a broad and important set of elements to take into account for the goal. Additionally, we appreciate that Parties and observers were offered a constructive environment that allowed for a structured exchange and better understanding of varying positions, concerns and expectations.

TED8 will be the last technical dialogue of 2023, meaning that it will transition to the last year of technical and political deliberations towards the final decision setting the NCQG at CMA6. Thus, the EU fully supports the 2023 workplan proposal to focus at TED8 on stocktaking and reflecting on the work undertaken in 2023 as well as reflecting on how to bring together all the elements of the NCQG discussed so far. We believe it is important that TED8 prepares the ground for effective technical discussions

in 2024 and proposes concrete ideas for a 2024 workplan that ensures a smooth transition to the final decision at CMA6. This also means starting to raise awareness at the political level, particularly on the most controversial elements of the NCQG (e.g. quantum, structure).

b. Elements that would require further work

Building on the elements already considered in the past Technical Expert Dialogues as a solid foundation, further discussions are needed on how the mandates of the NCQG could be operationalized, including concrete proposals on how the NCQG will contribute to the consistency of finance flows, how it will account for those flows and recognize that developing countries should be supported in greening their financial systems; as well as how the global effort, as described in Article 9.3 of the Paris Agreement, will be translated into the NCQG. Further work might also be needed to explore the best modalities to take into account needs and priorities of developing countries and how to concretely incorporate lessons learned from the USD 100bn goal in concrete steps forward.

After TED8, the EU expects that the Co-Chairs will hand over substantial elements for a 2024 workplan in line with the mandate given to the NCQG and to the AHWP. Moreover, the EU expects a focus on elements that can make the NCQG a real game-changer and influence the broader landscape of climate finance. As an example, the issue of access through multilateral channels, albeit important and recognizing that the NCQG-decision can speak to it, the final NCQG-decision cannot ensure the necessary change that is urgently needed and affect it much in practice. Hence, the EU expects TED8 to focus on identifying those game-changing elements for further discussions in 2024.

c. On substance: Bringing elements together

The EU expects that TED8 will be focused on collecting inputs for the next TEDs in order for the Co-Chairs to build an effective and targeted workplan for the 2024 AHWP, including the consideration of an enhanced involvement of the political level throughout the final year.

What is clear from the work undertaken under the ad hoc work programme so far is that the foreseen and potential elements of the NCQG are interlinked and interdependent, with the conclusion that locking in parts of the goal would limit the room for maneuver on other elements of the goal. Bringing elements together for consideration will thus be crucial to arrive at an informed and well-composed decision in 2024. Thus, the EU also expects that TED8 will give input for the subsequent TEDs to consider interlinkages among options (including but not limited to those) laid out in the Co-Chairs report, in order to avoid inconsistencies across elements, in view of facilitating the possible consideration of options by CMA6.

d. On process: How to tie the knots together (Outlook to 2024)

In the spirit of the Global Stocktake, we are pleased to have a stocktake session at the last Technical Expert Dialogue of 2023. Recognizing that we have covered more ground and made better use of the dialogues this year compared to the previous year, we expect to see the AHWP in 2024 to allow for more in-depth discussion on the interlinkages and interdependencies of elements that might form part of the NCQG.

Recalling that a full year is still ahead of us with the deliberations on setting the NCQG on climate finance concluding only in 2024, we call for clear guidance to bring the work to a more concrete level during the last year of the deliberations, including on how to translate the mandate of the NCQG into concrete quantitative and qualitative elements that will constitute the goal as a whole. We recall that we have agreed to set the goal in accordance with Article 9, paragraph 3 of the Paris Agreement calling for operationalizing a global effort, and that the goal would be set from a floor of USD 100bn per year and will take into account the needs and priorities of developing countries. Further, the goal would consider the aim of strengthening the global response to climate change in the context of sustainable development and efforts to eradicate poverty, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Before landing the final decision on the goal, to be decided at CMA6 in 2024, we would encourage mandating the Co-Chairs of the ad hoc work programme for 2024 to prepare a workplan that seeks to deliver on the mandates of the NCQG. Considering the importance of the decision to be made in 2024, we would further encourage the Co-Chairs to put forward a suggestion for the engagement and early involvement of the political level throughout 2024 to ensure enhanced guidance.

e. Format of the eight Technical Expert Dialogue

The EU and its Member States welcome the continued engagement of all Parties and different stakeholders in the Technical Expert Dialogues. In our view, the broad engagement of multiple stakeholders from public and private, domestic and national organizations is a quality insurance of the work that we are doing, making sure that solutions are viable in practice.

We thank the Co-Chairs for their facilitation and inclusive approach to the organization of the three conducted Technical Expert Dialogues of 2023 and look forward to the last of this year. We expect the format of the eighth Technical Expert Dialogue to aim for the same approach to inclusivity and making efforts to engage Parties and non-Party stakeholders alike, including from academia, civil society organizations, financial institutions and the private sector.

The EU encourages setting up a format for TED8 which: facilitates the participation of representatives of finance ministries; ensures that speakers, facilitators, and moderators that are invited for these roles are new and different compared to the previous TEDs to bring in new perspectives; ensures broad geographical representation and gender balance in the speakers, facilitators, and moderators, including by adopting the No Women no Panel policy, which is also the UN approach.