Saudi Arabia on behalf of the Arab Group

Submission on NCQG Workplan for 2024

Introduction:

The Arab Group welcomes the outcome from COP28 on the New Collective Quantified Goal on Climate Finance and looks forward to continuing to actively engage in the discussions related to the goal in its final year of deliberation. We welcome the shift in work, from discussion-based to outcome-based as well as the shift to a party-driven negotiation-focused approach.

We also understand the value of hearing views from a wide range of actors, and therefore look forward to engaging with them openly and constructively in the Technical Expert Dialogues. The discussions within the Technical Expert Dialogues could inform the deliberations within the meetings under the Ad Hoc Work Programme.

The body of work of the Ad Hoc Work Programme over the past few years should be retained and the co-chairs should build upon the progress, particularly in the previous year. Submissions made by Parties and groups of Parties in previous years should continue to inform the co-chairs in 2024. The identification of options in the annual report should form the basis of discussions on the elements of the NCQG in 2024.

Principles: To ensure the success of the Ad Hoc Work Programme, it should follow the following principles:

1. Discussions and options should be fully in accordance with the principles and provisions of the Convention and its Paris Agreement and aligned with decision 1/CP.21 paragraph 53.
2. The discussions in the meetings of the Ad Hoc Work Programme should be Party-driven and focused, with progress between meetings being defined using a consensus approach.
3. The meetings of the Ad Hoc Work Programme are to take up the adequate time to facilitate meaningful progress from one meeting to the next.
4. There should be continuity from one meeting to another to ensure progress is captured in the lead up to COP29.
5. The substantive framework for a draft negotiation text should reflect the consensus of Parties in accordance with discussions within the meetings of the Ad Hoc Work Programme.
6. The co-chairs of the Ad Hoc Work Programme are to be informed by previous submissions made by Parties and groups of Parties.
7. Elements of the framework, need to reflect articles 2 (2.1 & 2.2), 3, 4.5 and 9, it should not try to identify new responsibilities or change the principles of the goal as reflected in the first implementation phase (annual 100 billion USD goal).

Questions:

1. How should the technical expert dialogues and the meetings under the ad hoc work programme be organized to bring together the elements of the NCQG and the options identified under each element, taking into account the linkages across each element and progress made in the previous meetings;
   - **Meetings under the Ad Hoc Work Programme:** The co-chairs of the Ad Hoc Work Programme should prepare a draft substantive framework building on their annual report from 2023 and informed by the previous submissions of Parties and groups of Parties as a basis for deliberations in the first meeting under the Ad Hoc Work Programme. The draft substantive framework should focus on prominent options and reflect to the largest extent possible areas of convergence between Parties. Areas of divergence can be reflected by including different options as brackets. The draft substantive framework should include any quantum estimations brought forward by Parties or Party groups either through participation in the Technical Expert Dialogues or through submissions.
   - **Technical Expert Dialogues:** The Technical Expert Dialogues should be primarily focused on the quantum of the NCQG, with a view to informing discussions in the Ad Hoc Work Programme. It is important to note that while quantum was discussed briefly in previous Technical Expert Dialogues, concrete options and numbers have not materialized. With at least three Technical Expert Dialogues left, it is key that attention is paid to the quantum with the objective of presenting technical estimates. As per previous Arab Group submissions (Annex A) and in line with the latest decision on the NCQG which emphasized NDCs and NAPs, it is critical that the Second Needs Determination Report feeds into discussions on the quantum. Therefore, we suggest that the Standing Committee on Finance presents the findings of the report in the final Technical Expert Dialogue of the year.

2. How should progress be captured between the technical expert dialogues and the meetings under the ad hoc work programme and from one meeting to the next with a view to developing the substantive framework for a draft negotiating text by CMA 6;
   - **Meetings under the Ad Hoc Work Programme:** The draft substantive framework should be a living document that goes through iterations throughout the meetings of the Ad Hoc Work Programme. The co-chairs should present an initial draft for the first meeting, after which adjustments or changes should be made
on a consensus basis by Parties in the meetings under the Ad Hoc Work Programme.

- **Technical Expert Dialogues:** The co-chairs should aim to present views on the quantum from different perspectives in each Technical Expert Dialogue and capture progress in the form of summaries after each Technical Expert Dialogues. The summaries should focus on capturing options for quantum estimates presented in each Technical Expert Dialogue. The TEDs should also consider information from the best available science and base discussions on equity and the needs and priorities of developing countries, in particular the current NDCs including the NAPs, and other relevant information and developments from the Global Goal on Adaptation (GGA), the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI), and the Just Transitions Work Programme (JTWP).

3. **How can the high-level ministerial dialogue be best used to facilitate reaching an agreement on the NCQG at CMA 6, when it should be convened and in what format.**

- The high-level ministerial dialogue should be convened in conjunction with the Pre-COP meetings and ahead of the last meeting of the Ad Hoc Work Programme. The format should consist of interventions for ministers and breakout meetings.

**Work plan timeline:**

- **Pre-meeting period:**
  - Parties will make substantive submissions.
  - Co-chairs will issue a draft substantive framework and circulate it ahead of the first meeting under the Ad Hoc Work Programme.

- **First meeting under the Ad Hoc Work Programme and TED 10**
  - Day 1: Technical Expert Dialogue – theme quantum across different timeframes
  - Day 2: Meeting under the Ad Hoc Work Programme – theme, concrete discussions on the draft substantive framework
  - Day 3: Meeting under the Ad Hoc Work Programme – theme, concrete discussions on the draft substantive framework and wrap up by the co-chairs

- **Inter-meeting period:**
  - Co-chairs will issue an updated draft substantive framework reflecting consensus-based changes to the text.
  - Co-chairs will issue a summary of the TED capturing options for quantum across different timeframes.
  - Parties will make further submissions.

- **Second meeting under the Ad Hoc Work Programme and TED 11**
Day 1: Technical Expert Dialogue – theme, quantum across different methodologies and considerations
Day 2: Meeting under the Ad Hoc Work Programme – theme, reflections on the summary of the 10th TED, presentation of the updated draft substantive framework and reflections
Day 3: Meeting under the Ad Hoc Work Programme – theme, concrete discussions on the draft substantive framework and wrap-up by the co-chairs

- Inter-meeting period:
  - Co-chairs will prepare an update to be presented to the high-level ministerial dialogue.

- High-level ministerial dialogue:
  - One roundtable plenary meeting, with smaller breakout sessions.

- Inter-meeting period:
  - Co-Chairs will circulate the summary of the high-level ministerial dialogue.
  - Co-chairs will issue an updated draft substantive framework reflecting consensus-based changes to the text.
  - Co-chairs will issue a summary of the TED capturing options for quantum across different timeframes.
  - Parties will make further submissions.

- Third meeting under the Ad Hoc Work Programme and TED 12:
  - Day 2: Meeting under the Ad Hoc Work Programme – theme, consideration of summary of high-level ministerial dialogue, reflections on summary of TED11 and presentations from TED12, presentation of updated draft substantive framework reflecting consensus-based changes to the text.
  - Day 3: Meetings under the Ad Hoc Work Programme – theme, concrete discussions on the draft substantive framework and wrap up by co-chairs

- Post ad hoc work programme:
  - Co-chairs present summaries of all TEDs and the high-level ministerial dialogue in their annual report.
  - Co-chairs annex the substantive framework in their annual report reflecting the consensus of Parties.
Annex A:

Summary of Arab Group views on elements as discussed in previous technical expert dialogues:

On timeframe, we advocated for a goal period of 2025-2030 with a renewal of the goal thereafter including a revision of the quantum. On structure, we supported formulations that reflect the unequivocal responsibility and obligation of developed countries to provide and mobilize finance to achieve the goal.

On quantum, we set a quantum of USD 1.1 trillion from developed to developing countries not including arrears for the 100 billion. We set this number based on the needs and priorities of developing countries as outlined in the NDR report and are open to changing to quantum based on the updated NDR next year.

On quality, we outlined how there should be guidelines for the implementation of the goal. We identified two priority qualitative areas: 1. The delivery of the goal should be to the largest extent possible through grant-based and concessional finance. 2. The need for finance to actually support NDCs and other national plans. Climate finance must enable developing countries to implement their NDCs and other national plans. It is key that such support is consistent with national priorities, and does not contradict or impede national efforts to address climate change.

We must guarantee that any concessional loans utilized as part of the delivery of the goal do not contribute to increased indebtedness in developing countries. In reporting, loans that adversely contribute to debt burdens in developing countries should not be counted as climate finance.

We advocated for transparency arrangements that are in line with our principles and that respect the multilaterally agreed decisions of the past few years. We set the ETF as the backward-looking reporting tool without any changes - taking to account that it has very clear modalities, procedures and guidelines for developed countries that touch on issues that are key for all developing countries. These include how to avoid double counting, how to accurately report mobilized finance, how support enables the implementation of NDCs, NAPs and other national plans, and how finance is new and additional and represents a progression over time. Climate finance is distinct from Official Development Assistance (ODA) and humanitarian aid. While the latter two may address climate-related
elements, we need to avoid double counting within these categories by ensuring amounts reported as climate finance reflect the climate-specific portion of support, rather than the entire allocation (non-climate and climate related). Such support, when classified as climate specific, should be based on the national needs and priorities. The national climate plans determine the climate-specificity of support provided and mobilized.

For forward looking reporting we respected Article 9.5, just like we respect the entirety of Article 9. We recognize that biennial reports need to improve and will push for improvements in predictability in the appropriate avenues and discussions.

For reports on progress we prefer the standing committee on finance to continue its work and recognize the need for improvements in their outputs. These improvements cannot be separated from an update of the SCF operational definition of climate finance - work that our group pushed for and secured in Sharm El Sheikh.