



VIEWS ON THE 2024 TECHNICAL EXPERT DIALOGUES AND MEETINGS UNDER THE AD HOC WORK PROGRAMME ON THE NEW COLLECTIVE QUANTIFIED GOAL (NCQG) ON CLIMATE FINANCE

SUBMISSION OF CALLS AND RECOMMENDATIONS BY THE HOME OF SIBUYAN ISLAND PEOPLES¹

5 April 2024

The establishment of a new collective quantified goal on climate finance (NCQG) presents arguably the most critical agenda that needs to be addressed at the 2024 UN climate negotiations (COP29) in Baku, Azerbaijan. This follows the objective expressed in paragraph 53 of Decision 1/CP.21 that “developed countries intend to continue their existing collective mobilization goal through 2025 in the context of meaningful mitigation actions and transparency on implementation.”

All stakeholders must work together to make a bolder commitment to global climate finance, with the necessary tools, resources, and capacities to reduce adaptation and mitigation gaps and avoid any further loss and damage, in aid of climate-resilient sustainable development and addressing other critical development-related issues. The world must learn its lessons from the previously-set goal of USD100 billion by 2020 to aid developing countries, which remains unfulfilled as of this writing.

The new quantum, which must be much higher than the previous USD100-billion target, cannot be just another political statement; it must be based on the needs and priorities of developing nations and the most vulnerable communities.

The negotiations involving the NCQG are anticipated to be difficult given the existing geopolitical, economic, and sociocultural factors at play and the numerous elements that must be accounted for. This is why it is vital for the upcoming technical expert dialogues and Ad Hoc Work Programme meetings this year to be conducted such that the details of such goal (i.e., timeframe, structure, sources, means of disbursement) are well-defined in such a manner that respects the longstanding principles of global climate action (i.e., equity, common but differentiated responsibilities) while recognizing emerging needs for developing countries due to the climate crisis.

Nonetheless, Parties must remain focused on the clear intent behind this new goal: to aid developing countries and the most vulnerable peoples in addressing the climate crisis, as has been established

¹ Home of Sibuyan Island Peoples is an accredited observer organization to the United Nations Framework Convention on Climate Change (UNFCCC). The positions and recommendations presented in this paper also reflect those of Living Laudato Si' Philippines (LLS), a Philippine interfaith movement campaigning for fossil fuel divestment, social justice, and sustainable development. LLS is currently the Convenor and Secretariat of Aksyon Klima Pilipinas, the Philippines's largest civil society network for climate action.

under the UNFCCC text and reiterated in numerous decisions afterwards, including those resulting in the formulation of the 2015 Paris Agreement.

Developing nations like the Philippines cannot afford to continue bearing the brunt of the impacts of the climate crisis. While determining the elements of the NCQG are important and require careful scrutiny, the procedural aspects of the entire process must not be used to undermine the true intent behind what should be a more ambitious global financial goal.

As representatives of our faith-based communities, indigenous peoples, and local communities in the Philippines and as a response to the call made in FCCC/PA/CMA/2023/L.10, para. 14, we respectfully submit the following recommendations for the consideration of Parties and other relevant stakeholders on the Technical Expert Dialogues and meetings under the Ad Hoc Work Programme on the formulation of the NCQG.

On the Technical Expert Dialogues (TED) and Ad Hoc Work Programme (AWP) meetings

➤ ***First 2024 technical expert dialogue and Ad Hoc Work Programme meeting***

- The TED should provide the platform to refine all identified options regarding the various elements of the NCQG, including but not limited to the timeframe, structure, quantum, means of framing the qualitative elements, and monitoring progress. Furthermore, it should immediately establish the guiding principles for said goal, with specific references to the UNFCCC and previous decisions under the COP and CMA, including the Paris Agreement.
- The subsequent AWP meeting should then commence the drafting an outline for the NCQG. This should reflect all progress made during the discussions, including the refined options and, if applicable, all agreed-upon options regarding the goal's elements. The co-chairs of AWP must facilitate discussions in an inclusive, facilitative, and participatory manner, with the understanding that nothing is finalized until the decision is made at COP29.

➤ ***Second 2024 technical expert dialogue and Ad Hoc Work Programme meeting***

- Participating stakeholders should continue refining the remaining options regarding the elements of the NCQG, based on the progress from the previous TED. Any viable sources of information (i.e., reports and studies by multilateral institutions, positions submitted by indigenous peoples' groups) that emerged between the first and second TEDs must be considered during the discussions to ensure the relevance of all the goal's elements, as it pertains to its capacity to address climate-related needs and gaps of developing countries.
- The AWP meeting should continue narrowing down the list of options for all elements of the NCQG, allotting placeholders at applicable substantive and procedural sections of the draft outline. It should result in the following outcomes: (i) a draft NCQG decision available at the UNFCCC website; and (ii) a report regarding the progress made during the 2024 dialogues and meetings under this workstream, which would inform all relevant stakeholders.

➤ **Third 2024 technical expert dialogue and Ad Hoc Work Programme meeting**

- The TED should finalize the options to be considered for the elements of the NCQG to be reflected in the draft decision text. Similar to previous dialogues, all submissions and positions from different stakeholders and relevant reports and research that were published between the second and third TEDs must be accounted for.
- The AWP meeting should produce a draft decision text, providing clear options to be decided by Parties at COP29/CMA6. The meeting must also address all remaining placeholders in the text and other unresolved elements from previous meetings.

Recommended elements of NCQG²

➤ On the identified time frame

- The NCQG should have a timeframe of **five years, with biennial review cycles and revision process**. This timeframe allows for the needs of developing countries to be more urgently addressed, while the biennial review cycles align it with the existing mechanisms under the Enhanced Transparency Framework (ETF) without creating even more mechanisms that could further slow down the deliverance of climate finance and support to developing countries. Starting in 2025, this would also allow a synchronization of the assessment of the NCQG through the lens of other global development frameworks with 2030 targets, such as the UN Sustainable Development Goals, the Kunming-Montreal Global Biodiversity Framework, and the Sendai Framework for Disaster Risk Reduction.

➤ On the structure

- The NCQG must be established as a **thematic matrix** that categorizes targets according to the three pillars of climate action: **mitigation, adaptation, and loss and damage**. Each should have a corresponding list of quantitative and qualitative sub-goals listed that differentiates needs for direct (i.e., project funding) and indirect (i.e., investments) modes of finance. Gaps, needs, and priorities must be based on what developing countries indicated in their policy documents under the UNFCCC, including NDCs, NAPs, and National Communications, complemented with the findings of reports by multilateral institutions (i.e., UNEP's annual Adaptation Gap Report).
- With the understanding that current metrics for mitigation are mostly quantitative and those for adaptation are qualitative, the resulting formats for reporting data under the NCQG must reflect these characteristics.
- There must be **an even allocation of finance between adaptation and mitigation** under the NCQG, aligned with Article 9.4 of the Paris Agreement.
- The NCQG must **include finance for averting or minimizing loss and damage (L&D)**, such as what would be mobilized under the recently-established L&D Fund. Finance under this mechanism must be new and additional, predictable, grants-based, needs-based, gender-responsive, comprehensive in coverage of economic and non-economic L&D, and driven by inputs from those experiencing L&D themselves.

² These are based on the list of options presented in the report by the co-chairs on the Ad hoc work programme on the NCQG on climate finance, published on 23 November 2023 (https://unfccc.int/sites/default/files/resource/NCQG_annual_report_Published.pdf).

- The NCQG must allocate a portion of the finance in advancing climate change education, reflected in the **establishment of an Action for Climate Empowerment (ACE) Fund**. This mechanism would support the implementation of the Glasgow Work Programme and the corresponding action plan that were established since COP26.
 - The NCQG must **increase every five years** and embedded with monitoring, review, transparency, and accountability mechanisms. It should be based on the findings of the latest Global Stocktake through an evidence-based, comprehensive, regular, and inclusive review process.
- On determining the quantum and framing the mobilization and provision of financial sources
- The NCQG should be reflected as part of the **broader picture of Article 2, paragraph 1(c) of the Paris Agreement**, in recognition that the attainment of the NCQG is undoubtedly critical to realizing all three objectives of the Paris Agreement.
 - Potential sources under the NCQG should be recognized as the following:
 - A multilayer approach with international public sources at the core of the NCQG and private and innovative sources as the outer layers, with arrangements for tracking finance flows;
 - A multilayer approach with (a) quantitative target(s) for the provision of international public climate finance to developing countries at the core and mobilization of financial sources; and
 - Provision of climate finance from developed to developing country Parties and voluntary contributions from private sector entities mobilized through public interventions by developed country Parties.
 - The provision of climate finance under the NCQG must be received by developing countries in the form of **grants, investments, and/or subsidies**.
- On framing the qualitative elements, tracking and reviewing progress
- Determining the qualitative elements of the NCQG should be framed through a set of principles, but **not as an aspirational goal**. This is to enable the needs of developing countries to be addressed more urgently, especially if global GHG emissions continue to increase in the following decades.
 - Tracking and reviewing progress towards the NCQG should be conducted through the **ETF**, as it already provides adequate mechanisms for all Parties to report on the progress related to said goal (i.e., support provided or received), respective of the differing circumstances and capacities between developed and developing countries. For instance, the **Biennial Transparency Report** would provide the platform for all Parties to report their progress related to the NCQG. Other tracking and reporting systems within or outside of the UNFCCC may be used to confirm and/or complement the monitoring of NCQG-relevant activities.
 - Party-driven periodic revisions should occur at a **short-term time frame of every five years**, to allow for a more flexible approach to urgently addressing the gaps that hinder the implementation of the NCQG.