

New Collective Quantified Goal Tenth Technical Expert Dialogue and Second Meeting of the Ad Hoc Work Programme

Submission by the Heinrich Böll Foundation Washington, DC, 20 May 2024^{*}

The Heinrich Böll Foundation Washington, DC welcomes the opportunity to respond to the call for Parties and Non-Party Stakeholders (NPS) to submit their views and recommendations on the next meetings of the New Collective Quantified Goal on climate finance (NCQG), the 10th Technical Expert Dialogue (TED10) and the 2nd Meeting of the Ad Hoc Work Programme (MAHWP2) respectively. We highlight our earlier submission[†], as well as the more recent submission by the Women and Gender Constituency (WGC)[‡], with which we fully align, for more detailed elaboration on core aspects regarding the proposed scope, structure, sources and scale of the NCQG.

10th Technical Expert Dialogue (TED10)

The focus of TED10, which is currently scheduled to be only a 3-hour discussion, should be on giving voice and attention to core principles, and in particular a human-rights based approach, gender equality and a framing of equity both between and within countries, related to qualitative aspects of the NCQG and its intersections with other structural elements of a substantive framework for a draft negotiating text of the NCQG. These aspects were shortchanged in the official instructions and guiding questions for the discourse during TED9.

Likewise, as the opportunity for NPS, especially from rights-based groups and UNFCCC constituencies, to intervene and express their views and recommendations is limited in the context of the political negotiations during the Meetings of the Ad Hoc Work Programme (MAHWP), for which four sessions are scheduled in Bonn, TED10 should prioritize hearing from NPS. It should focus on hearing from those civil society and community-based organizations able to share the experiences and expertise from climate change affected local communities and often marginalized or disenfranchised population groups, including women and diverse gender groups, children and youth, Indigenous Peoples, people living with disabilities, and workers, which have not been considered, supported and reached sufficiently through funding provided under the 100 billion USD goal. Their voices, experiences and recommendations are important technical inputs, which so far have been largely absent from the expert presentations of prior TEDs. Highlighting those voices at TED10 would also be a good opportunity to ensure that the MAHWP2 considers those experiences as the Parties negotiate the next iteration of the potential elements of a substantive framework for the draft negotiating text of the NCQG, including options for content listed under respective elements. This will be a requisite for the NCQG to apply lessons learned from the 100 billion USD goal and advance, both quantitatively and qualitatively, from its floor, in order to support developing countries and affected communities and people in implementing climate actions to reach the goals of the Paris Agreement.

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[†] https://unfccc.int/sites/default/files/resource/NCQG_Heinrich%20Boell%20Stiftung%20Washington%20DC%20Submission_14%20February%202022.pdf

[‡] https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202403291249---WGC_finalized%20submission%20TED9%20NCQG.pdf

2nd Meeting of the Ad Hoc Working Programme (MAHWP2)

Having observed as NPS the first meeting of the Ad Hoc Work Programme in Cartagena, Colombia (MAHWP1), we would like to acknowledge the positive precedent set by the Co-chairs during MAHWP1 in Cartagena in allowing NPS to take the floor to share some of their recommendations; we hope and urge that a similar opportunity is afforded to NPS from the UNFCCC constituencies during the MAHWP2 in Bonn. In contrast to MAHWP1, however, MAHWP2 in Bonn must improve the participation of NPS from UNFCCC constituencies by allowing for more representatives per constituency to be in the room. Given the importance of the negotiations for the lives and livelihoods of climate-change affected communities around the world, full webcasting of all proceedings in Bonn must be secured, in addition to allowing for the virtual engagement for registered NPS in a hybrid setup.

As to structuring the negotiations, we express our appreciation for the Co-chairs' efforts during MAHWP1 through their non-status input paper to stimulate and structure the discussion on a possible substantive framework for an NCQG draft negotiating text by outlining possible elements for a decision text structure. Similarly, the discussion during the MAHWP2 in Bonn as an iterative effort could be guided by seeking consensus on a growing set of structural elements and core aspects with multiple textual options to be listed under each element, including through repeated listing of content highlighting linkages, synergies, interdependencies and interrelationships under several elements to safeguard that those important cross-cutting matters are not lost.

We would like to highlight in the following some select considerations for content under potential **structural elements of an NCQG draft decision text** for consideration by Parties. This is not meant to be an exhaustive list, but rather to illustrate some elements that we would consider fundamental to ensure that the NCQG can fulfill its mandate and support the ratcheting up of ambition and implementation impact of the Paris Agreement.

NCQG context

The NCQG should contain a standalone element on context while also striving to operationalize relevant contextual considerations, particularly of underlying principles, across quantitative and qualitative elements of the negotiating text of the decision. It should reference the full Article 2 and the long-term goals of the Paris Agreement, and thus firmly anchor finance provided and mobilized for climate actions in developing countries in the consideration of and support for poverty eradication and sustainable development. It must explicitly state core guiding principles framing the NCQG and its operationalization through quantitative and qualitative elements, in particular CBDR-RC and equity both between and within countries. The context section must also highlight for the NCQG as a mandate to fund people-centered and human rights based and gender-responsive climate action throughout as an acknowledgement that all Parties under the Paris Agreement have existing human rights obligations.

It should recognize the needs of developing countries and the needs- and science-based nature of the goal (with its implications for review and upward revision as needs and science evolve), as well as the commitment to implement lessons learned from 100 billion USD goal and its shortcomings.

NCQG quantitative elements, including thematic scope

The quantitative elements should focus centrally on structure, timeframe and quantum, and mandate as the substantive core (of both quantum and structure) the provision of public finance and related mobilization from developed to developing countries and affected communities and people as new and additional finance

beyond official development assistance and humanitarian aid, in line with equity, CBRD-RC and Art. 9.1 of the Paris Agreement as a matter of climate justice, and in continuation of developed countries' existing obligations under the Convention. The section could reference the encouragement for redirection and reallocation of developed countries' current public finance flows from fossil fuel subsidies and military spending to scaling up finance provision and delivery to developing countries as a matter of political priority.

The quantum discourse and related options should be tied to mandating a comprehensive thematic scope with articulated respective thematic sub-goals (in grant-equivalent terms) for mitigation, adaptation and for addressing loss and damage. The qualitative link to provision of highly concessional public finance, and grant-financing for adaptation and for addressing loss and damage should be integrated or cross-referenced here as well. Content options about the quantum of public provision and mobilization in the substantive framework should take the newest iteration of the SCF's Needs Development Report (NDR), as well as commitments under the Global Stocktake (GST) COP28 outcome into account. Here the section on quantum under the substantive framework must link ambition in the implementation of the Paris Agreement to financial support for the regular ratcheting up of implementation commitments by developing countries, particularly those laid and costed through continuously improved nationally determined contributions (NDCs) and national adaptation plans (NAPs). The interlinkages between ambition – quantum – time frame should be clearly referenced in this section, which could already integrate the mandate for both a regular and frequent review and a less frequent upward revision of the quantum of the goal. Ideally, these details and timeframes would then be elaborated in more detail in a separate element on transparency arrangements under the substantive framework for a draft negotiating text.

NCQG qualitative elements

The NCQG draft negotiating text must include qualitative elements to operationalize lessons learned from the shortcomings of the 100 billion USD goal it seeks to supersede. A qualitative climate finance provision must be guided by strong normative guiding principles and criteria including predictability, additionality and equity, both among and within countries, to center on people and apply a human rights based approach, including gender equality, the rights of indigenous peoples, children and youth and intergenerational equity and the rights of workers through a just transition.

The discourse on qualitative elements of the NCQG quality must be integrated throughout, including in a section on context and as operational mandates acknowledging its strong linkages to quantity, **particularly with respect to access, concessionality and debt sustainability and transparency**. We would like to see multiple anchors on quality throughout the substantive framework for the decision text, including through a separate strong stand-alone section on qualitative elements.

Some of the qualitative elements we would like to see specifically focused on:

- **The gender-responsiveness of climate finance**, which is interlinked with ensuring enhanced and simplified access to climate finance and the participation of local groups and communities, including women in all their diversity and non-binary people, in devolved decision making on climate finance. Further intersections are with the transparency provisions for the NCQG, and the extent to which reporting through the Enhanced Transparency Framework (ETF), which should be referenced in a section on transparency, can be improved to also provide accountability, including through improved voluntary reporting, on the extent to which climate finance provided and mobilized is supporting climate and gender equality outcomes.
- **Accessibility and subsidiarity**: simplifying and enhancing access to climate finance for affected people and communities as the outcome must be at the core of a **qualitative target or indicator on access in the**

NCQG, which we would like to see. Subsidiarity as a principle should guide decision-making and provision of climate finance on the most local level feasible, especially for many of the proven and low-risk approaches, such as locally-led adaptation. Finance provision in the form of grants, in particular small grants, should be referenced as a core qualitative financing approach to support and empower local communities (as has also been acknowledged and highlighted in the Governing Instrument of the Fund for responding to Loss and Damage). This is the **qualitative corollary to the focus on increasing the quantum of public finance provided and mobilized**. A qualitative mandate under the NCQG to increase, enhance and simplify access should have a target to provide accountability and transparency of how much of the finance reaches vulnerable communities and groups, including women and diverse gender groups, including with the mandate to improve reporting on such delivery and as part of scheduled review and revision increase the scale or percentage of such provision over time.

- **Concessional and debt sustainability:** the NCQG must account for the core of public finance provided and mobilized in grant-equivalent terms to address the current significant overstating of the value of climate finance accounted for under the 100 billion USD goal. Public finance support in particular for adaptation and for addressing loss and damage must be in the form of grants as a matter of justice, with clear linkage to quantitative elements on scale and structure through thematic sub-goals, but also as a matter of human rights and gender-responsiveness, as restricted fiscal space and indebtedness in developing countries undermines investments in social safety nets and support system that are crucial to build resilience and for addressing loss and damage. This is hitting women particularly hard; as traditional care givers, they act facing worsening climate impacts as ‘social safety net of last resort’ for many families and communities in developing countries.

NCQG transparency arrangements

The substantive framework for a draft NCQG negotiating text should include an element or a separate section on transparency arrangements. It should articulate the need for both a regular and more frequent review of finance mobilized and provided (potentially annually or biennially) and the iterative upward revision of the quantum of the goal tied to the Paris Agreement review and ratcheting up mechanism (in the context of the GST and iterative NDCs) over a 5-10 year timeframe.

This section should also highlight how to improve the quality and granularity of reporting on finance provided and delivered in grant equivalent terms as well as expand the thematic coverage of reporting to include financing for addressing loss and damage. The section should cross-reference the importance to report against and account for qualitative elements of the NCQG such as gender responsiveness, the scale of locally-focused provision and support directed towards and accessible for communities and affected population groups and debt sustainability. A substantive framework for an NCQG draft negotiation text in an element on transparency arrangements must highlight the need for comprehensiveness in reporting through a combination of constituted bodies and processes and by building on and improving on their existing mandates and reports. This includes an already mandated review and update of the Enhanced Transparency Framework (ETF) but also deepen depth and improving data sources for regular reports by the SCF (Biennial assessment of climate finance flows, Needs Determination Reports, progress reports on delivery against financial goal fulfillment) in addition to regular 5 year review of the GST. This section should also highlight the need to improve the current operational definition of climate finance to clearly articulate what should not be counted as climate finance provided and mobilized, such as loans at market rates.