



G77 and China Submission for the 11th Technical Expert Dialogue (TED) and the Third meeting of the ad-hoc work program on the New Collective Quantified Goal (NCQG)

This Submission is made by the Republic of Uganda, on behalf of G77 and China ahead of the 11th Technical Expert Dialogue and the Third meeting of the ad-hoc work programme on the New Collective Quantified Goal. It should be noted that this Submission is a synthesis of submissions from each G77 and China sub-group respectively as well as jointly held positions of the G77 and China.

Background

Climate change is a pressing global challenge. There is an urgent need for effective climate action to keep the Paris goals within reach and to attain the ultimate objective of the Convention. In light of this urgency of action, the needs of developing countries must be addressed as a matter of priority and to reflect the principles of equity and CBDR-RC. Adequate and accessible resources must be made available to developing countries.

Mandate

The NCQG's mandate, and its related processes, are under the Convention and Paris Agreement. Regardless of any attempt to detach them, the Paris Agreement was adopted under the Convention. The mandate does not include any discussions on modifications to their content.

The Convention and Agreement provide that CBDR-RC is a guiding principle for the whole climate change regime; it is therefore not negotiable. Related to CBDR-RC, countries with different levels of responsibilities and differing national circumstances can have differentiated regulatory and governance systems.

Principles and provisions

Article 9 of the Paris Agreement and the principles and provisions of the Convention constitute the foundation of the NCQG. This means the goal must be delivered by developed countries to developing countries based on equity and the principle of common but differentiated responsibilities.



The purpose of the NCQG is to support the implementation of article 2 in developing countries in accordance with article 9. NCQG must be based on the priorities and needs of developing countries and support country-driven strategies, with inter alia a focus on NDCs and NAPs as per the 2023 NCQG decision and the needs expressed in Adaptation Communications and Long Term Climate Strategies along with other national plans including in relation to loss and damage responses.

Components/features

The goal must include loss and damage response alongside mitigation and adaptation, at minimum, to address developing countries' evolving needs as outlined in para 26 of decision 8/CMA.5. And it should recognize the importance of just transitions towards low emissions climate resilient development pathways in the context of sustainable development and eradication of poverty for developing countries.

The goal should establish operational features to give full effect to Articles 9(4) and 9(9) of the Paris Agreement in line with the needs and priorities of developing countries including tailored features for SIDS and LDCs as set out in the Paris Agreement.

Defining climate finance

Transparency arrangements must be related to a definition which is agreement on what to count and what not to count as climate finance. Loans at market rate and private finance at market rate of return cannot be termed as climate finance under the NCQG. Rather, they represent a reverse capital flow from developing to developed countries when repayments are considered.

We must agree that the NCQG is about provision of climate finance from developed to developing countries in concessional terms; it cannot include loans at the market rate, and private finance the market rate of return, ODAs, and non-climate specific finance.

It must not impose additional conditionalities to the provision and/or mobilization of climate finance to developing countries. It must provide access features that operationalize the requirement for access channels to ensure efficient and swift access to, and enhance the coordination and delivery of climate finance for developing countries, noting the special considerations for SIDS and LDCs as set out in the Paris Agreement.

Provision of finance

NCQG must be delivered via provision of public finance in a grants-based or concessional manner to address macroeconomic constraints of developing countries, including limited fiscal space, and the elements of the goal should take into consideration the need for support to enhance the



economic situations of developing countries. The quantum of the NCQG must not include the domestic resources of developing countries.

NCQG should provide a clear agreement on burden sharing amongst developed countries to establish their 'fair share' of their collective obligation to provide climate finance, which allows predictability, transparency, and accountability. NCQG must address "dis-enablers" of climate finance such as the high cost of capital, high transaction costs associated with access, unilateral measures such as CBAM, etc.

NCQG decision reflects a mandate for the developed countries to deliver support for developing countries in line with Article 9, and the work on the NCQG should be within this mandate.

Note: The latest submissions of each sub-group shall take precedent with regard to substantive issues whereas this G77 and China submission outlines common views across several areas.