

Modalities for the dialogue referred to in paragraph 97 of decision 1/CMA.5
Saudi Arabia on Behalf of the Like-Minded Developing Countries (LMDCs)

Mandate:

Paragraph 97 of the GST falls within the finance section of the GST text. There are other elements related to general follow-up or cross-cutting issues, which fall under the “Guidance and Way Forward” section. In line with the placement and intended purpose of the dialogue referred to in paragraph 97 of the GST decision, the LMDCs view the mandate of the dialogue to be solely focused on finance.

Scope and Context:

The LMDC views this dialogue within the wider context of how we view the outcome of the Global Stocktake. The Global Stocktake is meant to take stock of the implementation of the Paris Agreement to assess the collective progress towards achieving the purpose of this Agreement and its long-term goals to inform Parties in updating and enhancing, in a nationally determined manner, their actions and support in accordance with the relevant provisions of this Agreement, as well as in enhancing international cooperation for climate action. The GST is a two-year process, which takes place every five years. GST1 concluded in COP28. **Henceforth, there is no mandate for any activities which “take stock” of progress of the implementation of the Paris Agreement, as that is the mandate of the GST.**

The LMDC view the implementation of any outcomes related to the GST to take place at the national level. In line with the bottom-up implementation of the Paris Agreement, this is through various forms of national climate action, such as Nationally Determined Contributions (NDCs) or National Adaptation Plans (NAPs). This interpretation is in alignment with the Paris Agreement’s bottom-up approach and its commitment to the principles of equity and common but differentiated responsibilities and respective capabilities. **Accordingly, there is no mandate within any outcomes of the GST that would supersede the nationally determined implementation of the Paris Agreement.**

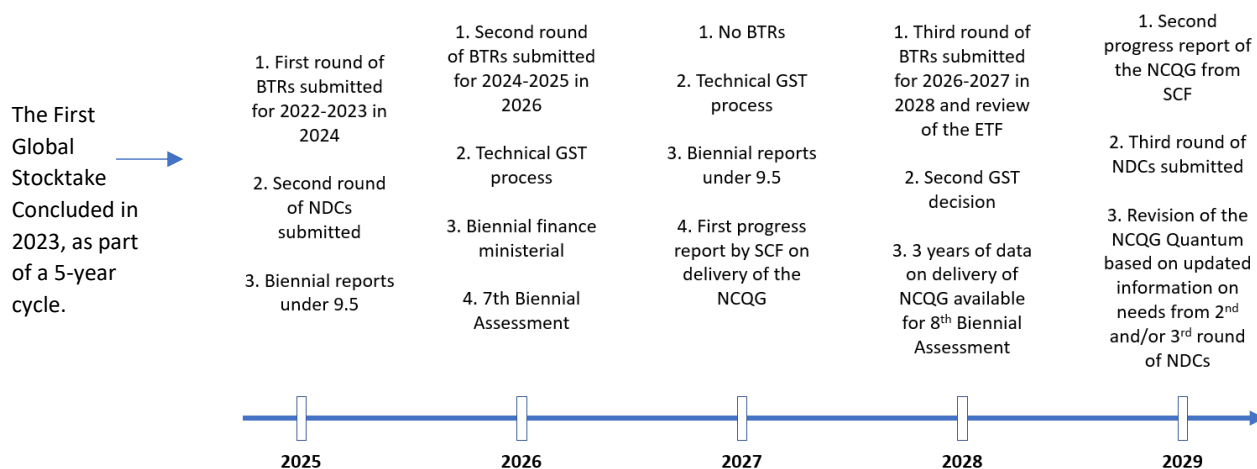
The GST process exists within the wider context of the Paris Agreement and its processes. At the conclusion of the First Global Stocktake, Parties assessed the collective efforts towards the goals of the Paris Agreement, including on means of implementation and support. Bottom-up national action takes place through NDCs and NAPs. Tracking of progress at the national level then takes place through the Enhanced Transparency framework (ETF). Parties are now preparing to submit their first Biennial Transparency Reports (BTRs) and their next NDC. Crucially, Parties have agreed to set the New Collective Quantified Goal on Climate Finance (NCQG) which will ultimately determine the level of action that developing country Parties can take in the coming years. The Paris Agreement, in its design, will operate on five-year cycles with linkages between planning (NDCs), support (NCQG), reporting (BTRs), and review (GST). The group recognizes the importance for coherence of work programs within the Paris Agreement’s architecture, including alignment of timelines and key outcomes. **This means that this work programme must complement, and not duplicate any existing processes, namely the GST process itself and the Enhanced Transparency Framework (ETF).**

As we move towards implementation within the Paris Agreement and noting the vast gaps in means of implementation for developing countries, we recognize the need to maximize synergies between action and support. As developing countries seek to enhance their action, **we recognize the relevance and importance of Article 4, paragraph 5, of the Paris Agreement which situates action in developing**

country Parties as being dependent upon means of implementation and support from developed country Parties. We also emphasize Article 7, paragraph 13, which stipulates that continuous and enhanced international support shall be provided to developing country Parties for the implementation of paragraphs 7, 9, 10 and 11 of this Article, in accordance with the provisions of Articles 9, 10 and 11.

In the context of climate finance, the section of the first GST under which the dialogue was established, the group recognizes a crucial gap in the Paris Agreement’s architecture and the key mandate for the dialogue. Under the Convention, the Long-Term Finance agenda item offered Parties a space to assess progress on the delivery of the USD 100 billion per year commitment based on reporting from Annex II countries and aggregation reports. Currently under the Paris Agreement, there is no dedicated space to assess progress on the commitments of developed countries, namely the NCQG and the effective provision of financial support for the implementation of countries’ NDCs. We therefore view the dialogue as a crucial piece of the architecture that will enable developing countries to enhance their action in their diverse national plans. It will provide the opportunity for Parties to assess the provision of finance for NDC implementation and reporting (BTRs) in light of the needs of developing country Parties as outlined in plans (NDCs and NAPs) and progress on support commitments (NCQG) in a manner that can inform review in the context of the GST and the NCQG.

Figure 1. Timeline of activities of dialogue, in alignment with other processes.



Scope, inputs and outputs:

In light of the gap in the Paris Agreement’s architecture, the LMDCs recognize the criticality of this dedicated space to track progress on the delivery of the NCQG, in accordance with the timelines and outcomes of the Paris Agreement to facilitate the revision of the NCQG as well as feed into the second GST process. As such we call for the following inputs and outputs for the dialogue:

Inputs

- Information from NDCs on needs of financial support for developing countries (including on mitigation, adaptation, non-market based approaches).
- Information from BTRs on climate finance provided and mobilized by developed country Parties;

- Information from BTRs on climate finance needed and received by developing country Parties;
- Relevant reports from the Standing Committee on Finance on the progress of the delivery of the NCQG;
- Relevant reports from independent organizations on the progress of the delivery of the NCQG;
- Information on challenges faced by developing countries in accessing climate finance;

Outputs

- Summary reports capturing the reflections from the dialogue on:
 - Progress estimates in relation to outlined needs and the NCQG commitment
 - Accounting methodologies and practices, including underlying definitions and assumptions utilized in reporting of climate finance provided and mobilized
- Summary reports will be synthesized in 2028 for the second GST as well as in 2029 for the revision of the NCQG

Modalities and formats:

The dialogue's mandate will be extended until 2029 to allow for the process to inform the first revision of the NCQG. The dialogue will be led by two co-facilitators, one from a developed country Party and one from a developing country Party that will oversee the dialogue until its conclusion. The dialogue will consist of two workshops held annually, with one held in conjunction with the Subsidiary Body meetings (SBs) each year and another to be held well in advance of the Conference of the Parties serving as the Parties to the Paris Agreement (CMA). The workshops will feature interactive discussions among Parties and non-Party Stakeholders on areas relevant to the scope of the dialogue, with a view to issuing a summary report at least 3 weeks ahead of the CMA for the consideration of Parties. Ministerial dialogues will be held in 2028 and 2029 to ensure a connection between technical discussions and political guidance, in light of relevant outcomes (GST2, NCQG revision).

The co-facilitators will be tasked with developing an annual workplan for each year, taking into account submissions from Parties. Based on the timelines and outcomes of the Paris Agreement, the yearly plans could include, inter alia:

2025

- Consideration of the 2024 SCF report on the progress on the delivery of the USD 100 billion with a view to identifying challenges in tracking progress that could be overcome for tracking the progress on the NCQG;
- Reflections on the information provided in BTRs in 2024 on climate finance provided and mobilized, including assessment of assumptions and underlying methodologies utilized;
- Reflections on the use of the climate finance needed and received categories and potential need for additional capacity building and financial support to developing countries for transparency;
- Consideration of the role of reporting under Article 9, paragraph 5, in relation to overall tracking of climate finance obligations of developed country Parties;
- Discussion on challenges faced by developing country Parties in accessing climate finance.

2026

- Consideration of the 2026 SCF report on the progress on the delivery of the USD 100 billion with a view to identifying challenges in tracking progress and how these are being addressed for the NCQG;
- Reflections on the information provided in BTRs in 2026 (for 2023 and 2024) on climate finance provided and mobilized, including assessment of assumptions and underlying methodologies utilized – including whether information has improved in accuracy, grant-equivalence and consistency since the dialogue’s first year;
- Reflections on the use of the climate finance needed and received categories and potential need for additional capacity building and financial support to developing countries for transparency;

2027

- Consideration of the 2027 SCF report on the progress on the delivery of the NCQG and how challenges from the USD 100 billion reporting have been addressed or remain;
- Consideration of Article 9, paragraph 5, information and whether projected levels of finance reported in 2025 are consistent with trends in 2023 and 2024 and are commensurate with the agreed NCQG;
- Reflection on the discussions in the previous two dialogues and how they can feed into the second Global Stocktake;

2028

- Reflections on the information provided in BTRs in 2028, available at the time of the dialogue, for 2025 and 2026 for climate finance provided and mobilized by developed countries, noting these would be the first reflections on the delivery of the NCQG set in 2024. Under the NCQG decisions, developed country Parties will be requested to make such information available in the first half of 2028 to facilitate discussions;
- Synthesis report of last two years of the dialogue prepared by the secretariat to facilitate discussions in 2028;
- Ministerial dialogue to reflect on the summary of discussions under the dialogue and how they should feed into the outcomes of the Global Stocktake in 2028.

2029

- Second progress report from the SCF on the delivery of the NCQG reflected upon in light of the review of the NCQG process, including with a focus on adequacy of support and transparency of reporting on support;
- Synthesis report of last three years of the dialogue prepared by the secretariat to facilitate discussions in 2029;
- Consideration of the importance of scaled up support in the context of the revision of the NCQG, including with a focus on the third round of NDCs;
- Reflection on the discussions in the previous two dialogues and how they can feed into the revision of the NCQG in 2029;
- Ministerial dialogue to reflect on the summary of discussions under the dialogue and how they should feed into the revision of the NCQG in 2029.

Conclusion:

Parties should consider the findings of the reports as well as guidance on improving accounting methodologies and underlying assumptions in reporting climate finance provided and mobilized by developed country Parties as well as potential progress on a climate finance definition. The collective work under the dialogue should be taken into consideration in the second GST and the revision of the NCQG, to allow for targeted technical discussions on finance, under which this dialogue was established. The dialogue will serve the functions of the Long-Term Finance agenda item, which is centrally focused on the USD 100 billion commitment and has no equivalent in the current Paris Agreement architecture for the NCQG in a manner that is procedurally aligned with the timelines and outcomes of the Paris Agreement processes.