TED5 NCQG notes
March 8-10, 2023

https://unfccc.int/node/625813

Participants:
Clara Gurresø, Kiel University (online)
Kasey Bellegarde, University of Minnesota (virtual)
Carola Klöck, Sciences po (virtual)

Session (agenda topic, time/date): introduction (8 March, 9am)
Note-taker: Carola Klöck
Notes: Co-Chairs Australia & South Africa Welcome notes by UNFCCC, COP presidency, and host (Austria) Introduction by Co-Chairs: explain structure of TED; focus on temporal scope and options for goal structure, incl. qn & ql elements options for temporal scope and structure of the goal; also rationale for preferring a specific option, as well as challenges and benefits of that option Jeffrey Sachs: nobody took 100 billion objective serious, esp in USA. need to understand proper scale of the problem and financial needs to address them. 100 billion was plugged out of thin air, no link to financial needs. Need to understand the scale of financing in the 3 categories. Let me focus on mitigation - esp. energy transformation. Still don't know how much financing is needed. IEA's estimations are probably best. Even less clear for adaptation and Loss&Damage (LD), also because terms are less clear, no common framework. Financing constraints come from 60 low-income and lower-middle income countries - cannot go to capital markets to access financing at any reasonable cost. Here, I would bring in IMF and World Bank, and create a model of financing that is consistent with net-zero pathway – a "budget for success". Need development banks to get funding into these countries. But less than 150 billion dollars total flows. This is the single biggest mistake in the international system - 1/10 of what it ought to be operating at. => massively scale up financing through development banks. …. The just scenario is compensation because impacts are not caused by the poor countries. A levy based on current CO_2 emissions as well as historical emissions to fund adaptation and LD. We are very far from this geopolitically, but from a moral and practical point of view, this is central. **working groups** Chair: Sandra Guzmán Luna India: Lia Schalatek, Heinrich Böll Foundation: China: based on experience, suggest annual value for 2025-2030. New Zealand: no fixed view yet on timeline. cyclical goal that would be kept updated in the future? or just one bloc now and then re-negotiate? Chair: challenges include e.g., tracking progress for developing countries; what happens when goals are not met?

Chair: could also be flexible, e.g. update adaptation goal every 2 years, but mitigation goal every 5 years; also consider negotiations in other streams (Global Goal Adaptation, LD fund)
India: agrees with need for balance for mitigation/adaptation, but very clear sub-goals (e.g., sectoral, geographical) may add complexity; some sectors/countries may not have ready projects at a specific time. (Project pipeline)
Liane Schalatek: also not too little complexity, otherwise same problems as with 100 billion goal; definitely need sub-goals for adaptation and LD, because funding otherwise tends to go to mitigation. Data availability, but also time lags in data availability.
NZL: good point about time lags in data availability. Agrees with sub-goal on adaptation.

Session (agenda topic, time/date): Report back of working groups and open discussion (8 March, 14:00-15:35 CET)

Note-taker: Kasey Bellegarde

Notes:
Summary of working group session report back

Temporal scope options to answer question 1: What would be the options for the timeframe or temporal scope of the NCQG?

-set overarching goal toward 2030 and set sub goals for mitigation, adaptation and loss & damage. could result in a complex process but recognition that the complexity is needed to address what happened with the 100bn goal
-have overarching goal, establish revision scheme to assess progress every 1, 2, 5 years based on available data, could be connected to other reassessment processes like the needs report done every 4 years. waiting 10 years to revise the goal is too long, need shorter periods to revise the goal.
- should start in 2025 or 2030 in a 5 year cycle, not too sensitive to economic fluctuations
-discussed review mechanisms- 5 year mech discussed, in line with NDC process. 10 year mech also mentioned as being able to provide greater amount of predictability and having same challenges
- annual reflections instead of 5 year cycles, reflect on finance. new goal also mentioned to be connected to needs ex. needs that emerge in NAPs
- review vs revision may be different time frames
-10 year plan with annual reporting scheme or 10 year cycle goal to accommodate long policy cycles in countries for which 5 year cycle would be too short
-5+5, 1st 5 years would have detailed plan next 5 would be indicative. 5 year plan with process for next plans as well
-process related time frame for 5 years. some felt 10 year cycle was too long. so some felt challenge of having different administrations in 10 years could bring political challenges, so 5 year time frame would be better and coincide with GST and NDCs
-time frame of 5 years, plus aspirational time frame up to 2050 to align with net zero pledges.
- annual targets with a 5 year time frame up to which there would be a review of the goal
-quantified goal at 2030 to be reviewed at 2040 and 2050, guided by science
- time frame of 5 years with review cycle every 2 years. coincide with current monitoring cycles under UNFCCC.

-link with net zero target and have bigger, long term aspirational target for 2050 or as long as GHGs continue, with reporting period to check if on track or not ex 5 year review process
: time frame with specific period that could include reviews and milestones. possibility to have every 2 or 5 years in alignment with UNFCCC processes or national processes (national budget cycle, etc.).
-annual reviews could be burdensome but also want to leverage enhanced transparency framework
-the goal could have an annual base goal with updates based on needs. this option should include review cycles

Answers to question 2: What other UNFCCC or external processes could inform the timeframe of the goal to maximize its impact?

UNFCCC processes: GST, NDCs, needs assessments, NAPs, enhanced transparency framework, Standing Committee on Finance, Just Transition Work Programme, financial mechanisms and replenishment processes
UN processes: UN agencies like UNDP, UNEP, multilateral processes
External processes: SDGs, net zero targets, IMF, World Bank, IPCC reports, IRENA, national country budgetary cycles, think tanks, experts.

-thoughts that goal could align with timelines for processes like NDCs and GST, that goal could be informed and responsive to NDCs, NAPs, GST through aligned review cycles, and evidence-based according to IPCC and net zero targets.
- this process clearly has a lot of interface with external processes so difficult to keep completely within UNFCCC

Answers to question 3: What are challenges and opportunities associated with each option?

Challenges: -strong accountability, transparency and tracking of the goal, capacity of developing countries to track the finance flows and progress.
-How to make goal flexible enough to adapt to cyclical and changing nature of needs and responsive to forces like inflation, like changing political commitments based on country's election cycles and administration changes.
-how to balance science like IPCC with what is actually happening on the ground
-Tension to build on existing goal and process rather than starting completely new. be very clear on specific amount every year or specific amount by x years
-"our continued failure to mitigate will determine the costs of adaptation and loss and damage"
-have to have a blended financing approach- need to come up with public finance goal even if there will be private sector contributions
-difficult to discuss time frame without scope and goal
-have to learn from the failure of the 100bn goal and design better
-long term frame may be countries not delivering until the very end- it's a moral hazard.
-for short term- difficult to mobilize transformative change in short time period. governments need time to implement finance goals
-annual tracking would be really challenging for many countries due to lack of availability of data
-the need to have a goal that differentiates between the different support types- mitigation, adaptation, and loss & damage

Opportunities: time frame should not be static, has to interact with other processes like

GST.
need assessment of countries' contributions and needs to ensure goal accounts for that
5 year cycle helps link ambition and support better.
shorter term goal might be easier to define/negotiate
-should prioritize predictability, flexibility. long enough for ambition for short enough for review and budget cycles

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Unknown note-taker for same session:
online group (see above)

group Strauss : mostly annual target, mostly 5-year-cycles; predictability;

group Mozart : discussed seven different options; also other issues, such as who contributes what to the collective goal?

Session (agenda topic, time/date): Wednesday 8/2 9-13 Opening and introductory remarks + working groups
Note-taker: Clara Gurresø

Notes:

Co-chairs: Zaheer Fakir and Fiona Gilbert

TED5 will focus on the temporal scope and timeframe + structure of the goal
- Qualitative and quantitative elements
- Invite participants to identify options for temporal scope and structure

Remarks by Jeffrey Sachs:
- The 100 billion were never taken serious by the countries who were supposed to deliver it
- The providing countries not even able to score good marks when they are responsible for the scoring themselves
- The new goal must encompass all three categories: mitigation, adaptation and L&D
- 100 billion were plucked out of thin air, not based on the scale of finance really needed. Some people are saying the new goal should be 150 billion, that is also plucked out of thin air. Need to analytically and systematically understand the scale of finance needed in all three categories (mitigation, adaptation, L&D)
- Mitigation: We need a framework of how to get to net zero for each region and country in the world. It can be done and the IEA has come closest to doing that.

We need an analytical framework to identify the finance needs, that is the first step.

- Identifying finance needs for adaptation and L&D is even harder because we do not have an analytical framework for assessing it
- If we have the mitigation analytics then we can say that the finance needs are x billions per year. Then we can look at the finance modalities. Rich countries can finance it out of their own pockets and financial markets. They might not do it but they can. The problem is in the lower income countries, they cannot go to financial markets and find the investments. They face a highly disadvantageous market. There is a profound systemic financing crisis. Here I would bring in the IMF and the World Bank. Create a model of financing that is consistent with a net zero pathway. The IMF and World Bank can do this if it is done in partnership with UNFCCC, Irena
- Developing countries do not have the finance to carry out anything remotely close to what we are talking about right now
- 2-3 trillion are a reasonable estimation of the financing needs. Only around 0.5 trillion are accessible
- One mechanism works in channeling finance to poorer countries: multilateral banks. But the MDBs operate at less than 150 billion per year for everything (poverty, climate, infrastructure, sanitation etc.). The MDBs operate at less than a 10th of what is needed. The African Development bank operates at 12 billion per year (8 dollars per capita) for everything
- Need to scale up the MDBs
- Any solution requires a massive capital increase of the MDBs, that is the only solution. MDBs can lend to countries and still maintain triple-A capital ratings. They can give long-term loans to poorer countries (compared to shorter-term loans that are available on the market) which is what the countries need
- We need at least 1 trillion per year in MDB financing
- We need both private and public financing. Private financing alone will never be sufficient, it is a recipe for disaster. Poor countries cannot rely on the private euro-bond market
- Adaptation and L&D is a package. L&D happens after the countries have optimally adapted and built resilience, there will still be losses and damages.
- We don't have models of adaptation spending in the same way as we have mitigation models. Need to understand how to categorise different forms of adaptation (eg. long-term and short-term) and how it differs across regions and countries.
- Adap and L&D have been imposed on countries by other countries that have violated environmental terms (as opposed to mitigation which everything should do). No excuse for evading historic responsibility for past actions.
- Lending is not just for adaptation and L&D. Compensations is the only fair scenario
- Need a levy or assessment based on current and historical CO2 emissions to calculate how much rich countries owe to poor countries for adaptation and L&D
- Every country has the responsibility to not clog the atmosphere (mitigation)

Main points:

- Draw on the main institutions we have
- Pull the Breckon Wood institutions into this
- Draw on real numbers, do not pluck it out of thin air
- Rich countries never wanted determination of needs or calculations of compensation
- You could have a calculation of climate finance needs in every report => give it a systematic form

Zaheer Fakir: the aim of the TED is to ensure that we do not pluck a number out of thin air

<u>Online working group</u>

1. Options for the timeframe/temporal scope of the NCQG?
2. Other processes that could inform the timeframe?
3. Challenges and opportunities?

- ? from India: the target should be at least 2035 and split across the years. It can be revised every year. As NDCs are updated the goal should be revised. The goal should be framed so that it can easily be revised
- ? from US: Re. timeframe: lessons learned from 2009-2020 goal, for a shorter frame it would be important to have a step-wise approach. We need a trajectory for how to scale up, that was one of the issues for the 100 billion goal. We need shorter-term commitments on how to scale up
- In addition to the needs report we also have delivery reports and reporting obligation under art 9 that we can tie into a tacking process
- ? from China: 2030 can be a good timeframe given availability of data. 5 years is long enough to ensure that developing countries have a predictable flow
- Important to accommodate updates from the NDCs as these are bottom-up and based on best effort. Also GST exercise and Net Zero targets can inform the goal
- GGA and the L&D facility can inform the timeframe
- ? form Australia: 5 years might be tight for some countries. By 2024 we might not have the best idea of some elements. Shouldn't lock ourselves into decision based on a poor knowledge base. Needs evolve, they might not be the same in 5 years. If we set a goal not, to what extent are we able to change it in the future?
- Need to set goals in a way that they are flexible
- A cumulative total goal with annual targets would be more complex to administer but it would ensure a stronger accountability
- Sector-wise sub goals could create challenges: countries might not be able to provide projects in certain sectors
- Issues re. to data: capacity building is required to update and revise NDCs. Not only the needs will change over time, resources and technologies also change. We might have different techniques over time
- Developing countries have their NDCs, as per international law they will have to revise those needs over time
- Liane Schalatek: there could be intermittent reviews of individual subgoals

- ? from Australia: the imbalance betw mitigation and adaptation + lack of finance for SIDS and LDCs was a big problem with the 100 billion goal. If colleagues do not want subgoals, how do we address those issues?
- Availability of data is not the only problem, there is also delay in getting the data. This needs to be built into the revision time-frames

Session (agenda topic, time/date): Amar Bhattacharya, Brookings Institution thought provoking presentation (8 March, 15:45 delayed start to 16:00-17:00 CET)
Note-taker: Kasey Bellegarde
Notes: we are at a critical moment, delay is deeply dangerous need big push on investment requiring major revamp of the MDB and broader DFI system, a new highway for private finance, mobilizing necessary scale of concessional financing through sustained commitment of donors and expanding the envelope through innovative options cooperation and coordination can be accelerated through country/sector, regional and global platforms and buy-in from all stakeholders MDB and private sector should be engaged more upstream need to create structures for risk mitigation, who is best placed to take that risk don't want to create a horse race between SDGs and climate- financing for climate lifts up SDGs but we do need to acknowledge that specific targeted additional finance is needed for climate, it cannot come out of the pot for the other SDGs

Session (agenda topic, time/date): Wednesday 8/2 14-17 Report from working groups + open discussion + presentation

Note-taker: Clara Gurresø

Notes:
Report from working groups

Online group:
- we can set an overarching goals towards 2030 and set subgoals. Creating more layers can create a complex process but we need a bit of complexity to avoid the issues under the 100 billion goal (eg. imbalance between adaptation and mitigation).
- Another discussion related to establishing a revision scheme where we can assess everyone. The biennial assessment can help track progress every two year. Potential linkages to the NDC assessment process.
- Waiting 10 years to revise the goal is too long, need shorter time in between revisions.
- Umbrella conversation about the importance of having certain principles to guide the conversation: the NCQG should be flexible enough to adapt to changing needs

Mozart group:
- Challenges with having this discussion: options for the timeframe should prioritise flexibility etc.
- Need to be able to adapt to changing needs
- Should start in 2025
- A goal on a five-year basis would not be so sensitive to economic fluctuations
- Review mechanisms: most discussion on the five-year mechanism, perhaps with the GST. A 10-year mechanism would create more predictability but comes with other challenges (more focused on a final goal rather than annual goals)
- Inflation should be considered
- Need tracking both on who gives and who receives (does the finance reach where it is need?)

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- Automatic adjustment mechanism was mentioned (eg. in relation to inflation) as a way to be flexible over time
- Review in a shorter timeframe and revision over a longer timeframe

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- Option 1: the goal could have an annual base with updates based on needs. Should consider review cycles
- Option 2: 10-year cycle up to 2035. A 10-year scope could help with ambition. Policy cycles in countries are long and a 5 year timeframe would not fit with that
- Option 3: process-related goal. 10 yeas would be too long. Changing governments could create challenges. Would coincide with GST and NDC cycles
- Option 4: aspiration time frame up to 2050
- Option 5: annual targets with a 5 year time frame when there would be a review of the goal
- Option 6: ?
- Option 7: timeframe of 5 years with a review cycle every 2 years
- Some other ideas:
- We need to consider the fact that review cycles need to be embedded in the

goal.
- Need to accommodate evolving needs
- Annual tracking very difficult for countries due to availability of data
- Need to unpack the issue of who provides what. Unpack the "collective" nature of the goal
- Need a goal that differentiates between mitigation, adaptation and L&D
- A shorter timeframe (eg. 5 years) might be easier to define and negotiate as information is of better quality and relate to the upcoming NDCs
- Annual goal: better for predictability and help keep political support alive. Also put more pressure on tracking (although the tracking will be difficult)
- Many highlighted the role of the MDBs and other financial institutions
- Re. relevant external processes: all three Rio conventions need to be followed closely and the SDG discussion. Aim is to ensure that what comes out of this process is not double-counted anywhere and that environmental and social goals are aligned and contribute to other processes.
- Burden-sharing: one of the lessons learned from fast-track finance is that you cannot have an in-depth discussion about the fulfillment of this goal because there is no counterpart that you can discuss with. Need to ensure there is clarity about the burden that different providers should have to have an environment conducive to meeting the goal

Bruckner group:
- The goal must be cyclical in nature and needs a time frame. Heard argument for both 5 and 10 years
- The goal could be aligned with the NDC cycle. Difficult to arrive at a timeframe without knowing the structure
- Annual reviews could be burdensome
- The timeframe must take into account different needs and how different sources work
- Timeframe is linked to the political economy. How do you reconcile long-term time frames with election cycles? Governments might have different goals
- Long-term timeframes have the risk that providers deliver towards the end (as happened with the 100 billion goal)
- A short-term timeframe makes it difficult to mobilise resources for transformational change
- Can draw lessons from the 100 billion:
- align the timeframe with the evolving needs of developing countries
- leverage experiences from within the UNFCCC: eg. financial mechanisms
- 5 year cycle helps link ambition and support
- Internal processes that are relevant: NDC, GST, reporting to UNFCCC, NAPs, enhanced transparency framework, SCF, financial mehcnaisms and replenishment processes
- External processes: UNEP, CCD, CBD, IMF, think tanks, IEA, IRENA, IPCC

Heiden group:
- Option 1: 10 year plan with an annual reportring scheme
- Option 2: 5+5 option: the first 5 would have detailed plan, the next 5 would have an indicative plan
- Option 3: ?
- Option 4: link it with the net zero target and have a bigger target at 205o that is assessed mit-way
- Main thing discussed is that there needs to be a strong accountability mechanisms
- Consider election cycles and how governments budget

- Need to learn from the 100 billion target
- How to signal private sector that there could be predictability on their contributions?
- List the long-term goals with predictability and regular benchmark
- Can set a longer term goal but there should be fixed annual targets so civil society can hold their governments accountable
- Do a mapping exercise of the reporting requirements under the UNFCCC so we can get an overview of what can contribute to the NCQG reporting process

Open discussion
- We should be informed by the facts on the ground. Need to review the goal regularly. We see the need for urgency on the ground and therefore the review is very important
- We agreed on the 100 billion 10 years ago and only recently reviewed it
- We should have an annual quantified goal not to backslide. Current NDCs say that countries needs are in the trillions from now up to 2030
- The timelines are there and we should reflect them
- Need to keep in view that our mitigation targets determine what we then need to do relative to adaptation and L&D. we need to be able to respond to the latter. Our continued failure to mitigate will increase finance needs for adaptation and L&D
- We need to account for public finance under the NCQG even if we have private sector: need a structure for public and private sector respectively
- European country?: More information is needed but there is already some information out there and we need to consider that
- Most of us have a 10 year plan for our NDC, we've used time to create the political power and foundation in our parliaments. We need to build that kind of consensus for climate finance
- In the coming years we will discuss MDB transformations. To make sure that they are onboard we need more than a 5 year timeframe
- Start by what point we're expecting to achieve net zero and then work back from that. Use that set the scope of the goal. Don't start from the bottom-up, consider the end-point and then work backwards to make sure that we get the timescale that we need to get it right this time. That will avoid just picking a number out of thin air

Session (agenda topic, time/date): Thursday 9/2 9-13 Structure of the goal + working groups
Note-taker: Clara Gurresø
Notes: Today we will focus on the structure of the goal (qual and quant elements)

Presentation: Pekka Morén (Coalition of Finance Ministers)

The Finnish Min of Finance has many areas that are important for climate action (dev of tax system, dev of procurement). Many companies follow actions from the Min of Fin
- Important to get Min of Fin onboard

In the coalition we discuss how to help Finance ministers implement reforms

Q: Question pricing is shows to have negative effects on the economy, how can developing countries implement it without negative consequences for their credit worthiness?

- You need a mix of different policies, specific to each country. Need to make changes that will support the transition as a whole. Specific circumstances of each country: maybe a carbon pricing reform is not the right solution for every country

Online working group

Moderator: Charlene Watson (ODI)
Topic: options for the structure of the NCQG
https://unfccc.int/guiding-questions-for-the-fifth-technical-expert-dialogue-on-the-new-collective-quantified-goal-on

China?:

- re. how to incentivize climate action, the objective of the NCQG is to contribute to the achievement of art 2.
- Re. challenges of implementation: countries did not fulfill their commitment to the 100 billion. Lack of transparency was a big problem. Efficient transparency framework is necessary for the NCWG post-2024

Jan Kowalzig, Oxfam:

- My problem with having an overarching goal is that it lumps together all sorts of instruments etc. You need support for countries expenses. An overarching goal is not very helpful if it is not clear how much we want to mobilise for each country vs how much does each country need to cover their costs. The essence is how much support will you provide to each country? How much finance does each country need? => I'm skeptical of talking about an overarching goal until I know the underlying aspects such as subgoals.
- I like the notion of expressing the goal as percentage of GDP, also automatically factors in economic growth

Charlene: like the idea of separating subgoals from the overarching goal

China:

- If we express contributions as percentage of GDP it is not connected to the need of developing countries + the contributions will not be additional to ODI
- Obligations cannot be placed on private sector because they are not Parties to the Paris Agreement (no obligations)

New Zealand:

- This is the first climate finance goal as a CMA decision. We are not bound to the old structure of the goal

- An overarching goal needs to be very ambitious. A lot of the goals on the screen now are not very ambitious
- The overarching goal shouldn't change much over time. Since we do not have good data on needs etc, I am worried about basing the overarching goal on that
- 2.1c is the most ambitious
- Impact matters also, it not only finance numbers
- Would like to see an overarching goal that captures some of those aspects
- Agree with Jan, the subgoals are important

Charlene: can you articulate the pros and cons about 6 and 7?

New Zealand:
- Drawbacks can be addressed with subgoals

Jan Kowalzig:
- I take back what I said. I agree with NZ that the overarching goal should express the ambition that we have
- 2.1.c is important but the NCQG is bigger, it should facilitate the provision and mobilization by developed countries to do their part (all the goals of the PA). 2.1.c does not have a reference to art 9 and it does not mention who should cover the costs that need to be covered. This is not about shifting flows, it is about providing finance that is necessary
- Re. number 7: Everyone should contribute to the 1.5 goal. The provision of finance has a notion of who is supposed to contribute and who is supposed to contribute. So the NCQG should not be framed in terms of 1.5
- The options here are all about "mobilizing". We should talk about providing finance and not only mobilizing it: "provide and mobilise"

China:
- 2.1.c is a subgoal of the PA. We cannot only take 2.1.c. To me that para is blurry. Yes, financial flows should be shifted, but how? Who is responsible for it? The para has no subject.
- The NCQG should be focused on how developed countries can help developing countries implement their NDCs

NZ:
- Maybe the NCQG can bring the necessary nuance to 2.1.c. We can bring subjects in and have developed country leadership
- There is a lot that developed countries have to do to shift all financial flows and we are not doing it. The NCQG could be a good opportunity to do that, and not only enable financial flows to developing country. Would be good to use the NCQG to drive change in developed countries. Maybe this is not the right place to do that, but what are other places to do it then?

EU:
- Our old goal is purely quant but we didn't quite reach it. When aiming for clarity and structure now we need to be aware of those complexities. 2.1.c mentions financial flows, art 9.3 mentions that developed countries should take the lead in mobilizing. What we might aim for now is having an overarching framework to incentivize financial flows
- The contributor base should be enlarged tremendously
- 2.1.c is a goal. It is obviously linked to 1.a and 1.b (mitigation and adaptation)
- Look at how to free up new resources, aligning the financial flows means that

we have to shift from fossil subsidies and use the money for the right objectives (climate action)

UK:

- How to deal with tension between 2.1.c and art 9. Work will hopefully progress on 2.1.c this year but atm there is a lot of uncertainty around it. Helpful to set the goal with the hope that 2.1.c will be implemented but not with the expectation that it will be sorted soon
- Public finance will have to play a big role but private finance is also needed
- The NCQG should be built on informed work but equally e should not try to get into too much detail about how it should be implemented. We set a goal and then we do what we need to meet it (how we ensure transparence, how we mobilise private finance etc)
- It is inevitable that we need to discuss how private finance can come into this but that does not take away from the fact that public finance will have to play a big role. They are interlinked, public finance comes first and then private finance will flow from that.

Marcellin Gandonou Noudéhouénou:

- Need to make this environment more attractive for private sector
- We use sophisticated facilities to enhance the credit risk profile of a potential project. We offer that without any fees to financial institutions in the local market

Jan Kowalzig:

- Developed countries are trying to mobilise private finance, question is how do we multiply the efforts. Leave it to the people doing that mobilizing to decide which instruments they want to use because there is probably no one-size-fits-all. But the goal should of course facilitate that: the goal is to mobilise, use whatever tools you want to do that
- You cannot have an aspiration goal for private sector but you cannot set an obligation for private finance. Don’t obscure who’s responsibility it is to mobilise private finance (it is the responsibility of public actors, not private)

NZ:

- The role of these decisions and what we do in the UNFCCC: there is both the obligation of specific actors but also the ripples that these decisions create throughout different sectors. The decisions pushes private sector into action and gives civil society a tool to hold their governments accountable

China:

- Should be a 50/50 balance between adaptation and mitigation but that is not the reality. There is a goal to double adaptation finance but not road map to achieve it
- There is a lot more to do around adaptation and mobilization
- Re. concessional finance and methodology for accounting: They tend to add all the numbers together. There is no clear figure on whether the loans are made concessionally or on market terms. We cannot be sure that the loans made by a private actor on market terms is not counted towards the 100 billion

UN Capital Development Fund (UNCDF):

- % of finance for adaptation would be good but also need an overall amount to ensure that needs are met
- Need distinction between concessional finance and grants. Having different

buckets would be useful, don't keep adding up apples and pears
- Focus on vulnerable groups: it is very qualitative but it adds a local level (instead of only national)
- Eventually all finance should be climate compatible, if we can factor the element of influencing other finances that would push us all in the right direction

Jan Kowalzig:
- Important that the NCQG clearly differentiates between provisional finance to meet countries' assistance needs on the one hand and finance for investment needs on the other hand. Could say that subgoal 3 (grant/concessional finance) covers this, but if we want subgoals on thematic areas as well you wonder which one is higher up the hierarchy? Do you first split up type of finance and then split it into adaptation/mitigation or the other way around? Not sure how to square that. Also need L&D. But very important to distinguish between provision of finance and investments
- Not yet a subgoal on mobilizing investments. If we want to mobilise more private finance then we need a subgoal on that

Charlene:
- What is the different on provision and mobilizing finance? Are they completely different subgoals?

Jan Kowalzig:
- The provision piece is where you would have finance that the market cannot provide
- The mobilization piece is for private finance and private finance that is needed to mobilise it
- If you have 100 billion goal, then some might think 100 billion grants and another might think 100 billion in private finance. We need to speak the same language
- L&D always talks about minimizing L&D but that is adaptation. If you want another L&D subgoal then that would be about recovery after losses and damages have occurred, not about minimizing losses and damages

NZ:
- We want to see more adaptation finance. We have language around balancing adaptation and mitigation and I think that is good because a percentage can be problematic. Some countries need more adaptation and some need more mitigation. We need language that is flexible enough to accommodate national differences. Furthermore, if there is suddenly a great opportunity to unlock a lot of mitigation finance then you need to be able to seize that. Therefore, I lean more towards a numerical value rather than a percentage in the subgoal
- Re. qualitative elements: there is a tendency to want to have quant elements, but too many quant elements might make this too complex to work. Maybe we should express some of these things in qual terms, hoping that that does not make them secondary but that they get due consideration

UNCDF:
- There is a clear ask from LDCs to go beyond a project approach

Jan Kowalzig:
- We could include review indicators on the effect of finance on the ground. They could be more qualitative

NZ:

- Subgoals on LDCs and SIDS to recognize their particular challenges in terms of accessing finance and the type of finance they need. That is a big priority for us. Maybe a qualitative goal is not enough
- I have not seen many SIDS representatives at previous TEDs but we need their voice here

Session (agenda topic, time/date): report-back, 9 March
Note-taker: Carola Klöck
Notes:

Examples of options for the structure of the NCQG, including quantitative and qualitative elements:

Part II

1. Focus sub-goal on providing X % of finance to adaptation;
2. Focus sub-goal on providing X % of adaptation finance to vulnerable groups;
3. Focus sub-goal on providing X USD in grant/concessional finance from public sources;
4. Focus sub-goal on providing X % of finance provided through multilateral climate funds;
5. Focus sub-goal on improving capacities to implement climate action.

online:

- open to new thinking on structure; on overarching goal, need for ambition; article 2 is about collective ambition - for dev'ed countries to contribute, for dev'ing countries to turn funding into outcomes.
- transparency incl. leveraging ATF will be key
- adaptation and mitigation do not require same finance,
- dev'ing countries' needs to be central for the goal; share of GDP as an option
- importance of actors outside CMA, such as private actors. NCQG can have signalling effect
- if overarching goal more as signal, subgoals become very important
- subgoal options : ordering may be key, e.g. adaptation/mitigation before instruments
- dangers of percentage goals; percentage could be high but absolute volumes low
- boost adaptation but not at the cost of mitigation; 50-50 may not be appropriate from recipients' point of view
- provision and mobilisation goal? e.g. to scale up private sector finance
- accountability, also for qualitative goals.
- also discussed indicators of success to assess whether recipient countries' needs are met

Mozart group

- discussion much broader than options presented
- provisional and overarching goal
- predictability
- learning from biodiversity goals
- importance of providing, not only mobilising
- importance of specificity in the goals
- some convergence around options 3, 4 and 5; 3 and 4 as potentially complementary
- importance of specifying vulnerable groups, e.g. LDC or PSIDS.
- importance of grants-based finance; acknowledging differentiated capacities
- challenges of percentages
- capacity challenges as a cross-cutting issue

- grant/public finance based subgoal; impact metrics and links to Global Stocktake
- vulnerable communities; outcome-based sub-goals

??

- e.g. annual goal, sub-goals for public/private finance, thematic sub-goals
- maybe no sub-goals, just one overarching goal (number)?
- some options thought to go beyond mandate, e.g. 2.1 debate
- reference to any specific groups, channels should not be specified
- “vulnerable groups” are not readily identifiable
- avoid over-complicating matters; think about linkages between sub-goals
- avoid very high expectations

Haydn

- general agreement: goal seeks to achieve PA, not limited to art. 2.1
- some in favour of sub-goals, some against
- aversion to percentage goals

Session (agenda topic, time/date): Thursday 9/2 14-17 Report from working groups + presentation on finance needs
Note-taker: Clara Gurresø

Notes:

Online group:

- We have to ensure we’re not lumping different forms of finance together
- Mitigation and adaptation do not require the same finance, might be helpful to differentiate at the subgoal level rather than the overarching level
- Needs are central, percentage of eg. GNI moves us away from needs
- NCQG could have an important signaling effect that could have an effect on different sectors and actors
- NCQG is there to serve all parts of art 2. For 2.1.c the responsibility for providing finance should not be shifted away from developed countries
- 50/50 balance might not be suitable for all countries as some need more adaptation or mitigation
- Need an output-oriented goal to ensure that the finance provided corresponds to countries’ needs

?:

- Some of the options could be subgoals and vice versa
- Important to embed predictability into the structure
- Discussion around biodiversity learning and reflecting that back into the NCQG
- Some prefer “providing” over “mobilizing”
- Some want an overarching goal, others believed an overarching goal is too vague and we need something more specific
- Option 1 is too vague, could be brought in to be talking more specifically about the principles that we’ve been discussing in these TEDs

- Option 5 is very comprehensive, mentions many parties
- Option 3 could be framed as an overarching provision statement
- Option 3 and 4 are potentially complementary and have links to each other
- Option 6 could be a stand-alone goal
- Discussion around embedding 2.1.c and art 9
- If we have subgoals: some colleagues are not supportive of subgoals or have no position on it. Need assurances from developed countries. Private finance also mentioned in context of the subgoals
- Option 3: rich conversation re. specifying grant-based finance rather than grant and concessional finance. Need to distinguish between the two
- Having an overarching grant and public-based subgoal

Strauss group:
- We should not call it an “overarching goal”; „NCQG” is enough
- Different options: Overarching goal only, overarching goal with subgoals, (overarching goal accompanied by principles?)
- Disagreement about whether it is useful to have subgoals or not
- Some options were thought to go beyond the mandate provided by the CMA: eg. the 2.1.c discussion because it goes beyond just climate finance
- Option 7: this is a very difficult option to agree on because it is not only focused on finance and therefore goes beyond the mandate. But it could be useful for quantifying the goal. However, the framing is not acceptable
- Domestic resources, reference to vulnerable groups, sectoral approaches etc should not be specified in a subgoal or the overarching goal
- “vulnerable groups” is not readily definable and not compatible with a finance goal

Haydn:
- Re. post-2025: general convergence on 2.1.c. it should be considered in the structure of the goal
- Preference to combine some of the options => could shorten the list. One theme that emerged was the option of a onion-layered goal. Need a clear ramping up of ambition in the goal.
- Timeframe is an important factor, not all options had this
- Don’t over-engineer but be comprehensive
- Common ground needs to be found around L&D and how it relates to the mandate, to what extent should it be covered by this goals?
- Some support for option 1 and 2 but some felt it risked repeating previous mistakes and should be refined
- Suggestion to combine option 3 and 6 (mobilization goal with subgoals on mitigation, adaptation, L&D)
- Or combine option 3 and 4
- Combine 3, 5 and 6: overarching goal with subgoals on public private but wrapping around 2.1.c. Perhaps even include option 7 as a general direction that we’re heading towards
- Discussion around whether to have subgoals: some would prefer principles and guidance around the goal to help set it
- Could have both subgoals and principles, not mutually exclusive
- Aversion to percentage targets
- Debt was raised as being a critical issue
- Need to discuss quantum aspects as we move forward

Bruckner:
- Percentage of GDP does not consider developing countries’ needs

- Willingness to engage with 2.1.c but with the understanding that it is a much broader topic than just NCQG. The NCQG should be seen as an enable of it
- Need to avoid perversive incentive of meeting specific numbers rather than specific needs
- Discussion re. transparency that needs to be carefully considered in subgoals
- Possible geographic caps on regions or country groups

?:

- Felt that we were confined to only choosing between the options. I feel the opportunity for you as co-chairs to give us some time to go through the list and see what improvements we can make and send them back to you
- Would like to merge some options like other groups have done
- Need to define some concepts around domestic and international sources

Mohammed

- The goal should be a means of implementation
- NCQG is not meant to achieve 2.1.c, it is meant to accelerate means to achieve 2.1.c

?

- Several times it mentions „collective“ mobilization, confusion around what that means

?

- We are discussing the implementation of the PA by addressing key elements of the PA
- Domestic contributions: this is not mandated anywhere. Art 9.1 is very important and very clear. 4.3 is very clear. We are here to enhance implementation, not to re-negotiate. When we say domestic resources, what does that mean? Does it ask Timor-leste to contribute too? No
- 2.1.c: where is the baseline? We need to negotiate first and then we can include it in the NCQG

Kevin (US or Canada?):

- We don't have consensus on the way forward, that is what we're trying to lay the ground work for by laying out all the options
- I heard a lot of discussion re 2.1.c and art 9, we need to continue discussing that
- Worried that we're discussing how to recreate the same structure as the 100 billion had even though we all agree that it was not successful

The needs and priorities of developing countries are very significant. A lot of work has been done to outline them and we should acknowledge it

Session (agenda topic, time/date):
Friday 10/2
9-13
Presentation on temporal scope and structure + discussion

Note-taker: Clara Gurresø

Notes:

Continued discussion from Thursday

Ricardo:
- The NCQG cannot be all things for all people. It is one of the vehicles we have to get to where we need to get. When we're finished we need to understand what the aims are, what the objectives are and what the outcomes ought to be. Then we will get to where we need to be

?:
- Need to see how the pieces fit together: the overarching goal and subgoals
- Suggest to divide the overarching goal into thematic areas to structure the discussion more
- The overarching goal should be accompanied by principles and qualitative elements, discuss what they can look like

?:
- Need adequate public finance for infrastructure and services
- Policy has not been so prominent in the discussions: in art 5 I want to emphasise the inclusion of stakeholder eg trade unions. So when it comes to delivery on the ground bottom up engagement is locked in

Kamal:
- We need to focus and be more consistent with the mandate that we have on the NCQG. From African perspective I invite you to stick to the mandate
- The mandate is to discuss a finance floor by 2025 from a floor of 100 billion. Having innovative approaches, we need to set the elements and frame what we want to do, but I would prefer to have framing questions rather than a list of options. Because when you have this kind of exercises (stochastic science) you feel directed and framed to go in a certain direction. It doesn't give enough room for reflection from a group of parties. From an African perspective the NCQG is the new finance goal under the PA but it is here to respond to the finance needs expressed by developing countries in their NDCs. It is about a number, para 53 clearly says that the number needs to be there. We are not forcing developed countries to come with a big number, we are saying that the number comes from developing countries' needs expressed in their NDCs
- The more we complicate this exercise the further we move away from our objective
- The NCQG cannot be transformed into 2.1.c. It cannot be transformed into an aspirational goal or "financial flows". We need to have a number. 2.1.c is not a number, it is an assessment of flows of finance from point a to point b over a period. It cannot be the NCQG which is a concrete quantified finance goal

Presentation: recap of the discussions

- Mahlet Melkie (RMI), David Mccauley (Climate finance advisor): temporal

scope
- Stephen Hammer (World Bank): structure of the goal

Temporal scope:
Mahlet:
- The temporal scope has a good link to the structure, starting point going forward
- What are the issues that need to be given more thought going forward?
- Time frame: annual amount vs achieving a specific amount by a certain year. The goal must be closely linked to UNFCCC cycles. Eg having 2050 as an aspirational goal with intermediate targets or 5-year incremental goals
- Considerations of countries' budget cycles
- If parties decide to have subgoals, should they all have a similar time frame or different timeframes for each subgoal
- Re. review, we need to consider the different processes that are already out there or if there is a need for a new accounting mechanism or new revisions. When we talk about a review who should do it and how? And what should the timing be?
- Lack of data came up. Only in 2022 did parties know if the 2020 target had been met
- Re. UNFCCC processes to consider in the review: NDCs, NAPs, GST, enhanced transparency framework, SCF

David:
- Re. including data in a review process, we discussed a number of other data sources some of which are supplemental to the UNFCCC process at the national level and some that take account of regional or global trends: IEA 8their recent report had a big impact), IRENA, OECD DAC (were given responsibility for tracking current 100 billion progress), UNEP, regional bodies (eg. AU), MDBs and IMF (have a lot of knowledge products usually built bottom-up from countries), various think tanks, climate policy initiatives tracking climate finance flows (haven't taken an official role but still impact people's thinking on the issue)
- How do we deal with inflation? Should there be automatic or estimated adjustments?
- Issues related to measurement and metrics. Eg. tracking input vs output or both?
- Tracking of public funding is the main objective but there is also private finance and increasing interest in tracking private finance flows. But is that all private fin flows that are climate-related or only those that are prompted by public finance?
- Are there built-in triggers in the process that can trigger a review if we get too off-track?
- Absolute vs. cumulative finance target? Did not see a lot of support for a cumulative target. We could have an end target and then work back from that to arrive at a cumulative target
- We heard that private finance decision-making structures are more short-term, but perhaps there are longer term horizons by private actors that could positively affect private finance

Stephen:
- This is intended to be a very high level treatment of what the conversations sounded like. Trying to speak in very aggregate terms
- The options have different elements and I think it is a matter of mixing and

matching them in a way that meets your needs and intent
- Data availability and potential time lag are key considerations. If you set a goal in a specific timeframe but it is difficult to get the data then it makes the decision-making difficult
- Are there resources to deliver on the PA temperature target? Differentiate betw. inputs vs impact
- Discussion on the form of the target. Is it related to the level of impact? Eg the level of technology implored, or how it relates to the GGA
- Do you stop at the high level or have an onion layer where you can look deeper and deeper into what you are trying to achieve? The issue is the communicability: should it be easy to communicate to policy colleagues or very prescriptive so relevant actors can think about how they fit into it and what specific aspect. They want to contribute to
- Who's money? Is it domestic resources? Is it public and private? Is it north-south or south-south flows? Is it linked to the responsibility of those identified as the major emitters?
- Some people wanted to impose values on the goal setting: eg the type of finance that counts (grants/concessional), does the goal contribute to predictability, notions of transparency and accountability (can you identify who you want to hold accountable)
- The ease of implementation, the deeper you go in terms of being prescriptive the more complicated it becomes
- Is the target structured in a way that allows for evolution over time? Or is it very fixed so it is difficult to adjust to change like what we have seen in recent years?
- Aspects of equity raised repeatedly

General comments:
- Important to try out best, by the time we are done with this process whatever output we have is what will inform the political process
- Important to understand what subregions need in terms of infrastructure etc. don't know how to request that
- We are not designing a goal that is only for developing countries, it is also for developed countries. What do developing countries need to meet their needs but also what does developed countries need to transform their systems?
- Importance of political will, we can talk and be creative and come up with proposals but in the end it is important that the political will is there to accept our ideas. Important that we work on having that political will

<u>Discussion</u>

Mohammed (LDCs):
- The LDCs submitted their viewpoints, would like to present them here:
- Welcome the new structure for discussion
- To make progress certain foundational elements (eg. obligation by developed countries to provide finance + differentialisation between developed and developing countries) must frame the discussions
- To achieve progress we must build on the common ground established in the PA. we're building a house, to build a house you need a strong foundation, fortunately we already have that in the PA
- Ambition and action is determined by level of support
- aim of the goal must capture developed countries' responsibility, private sector is not Parties to the PA and cannot be held responsible

- we should not pull numbers from the thin air, they must be based on the needs of developing countries
- identify a process based on needs of developing countries
- not all NDC's express needs in financial terms

Pakistan:

- the way options were given to us was helpful to make the most of our allocated time
- some issues require further discussion:
- more time needed to discuss the quantum of the goal
- debt stress which is a challenge for many developing countries
- how to track progress
- hope that once we reach the finish line of this process we have delivered on our mandate

?:

- a lot of our discussion has been focused on tracking and transparency. Need to understand how to do it and how it fits with what we already have. Do we track inputs or outputs?
- Further understanding how it is tracked, how it can be tracked and what we mean by efficiency
- 2.1.c is part of the context of what is framed in our mandate so that is crucial
- Taking stock of what is required of us to meet 1.5 and foster resilience. Good to have some of the knowledge producers invited and tell us what is needed would be good for the next meeting
- Need to clarify some key concepts: eg. review, revision, mobilisation, what is the different between main goal/overarching goal?

Alfa:

- Could discuss how we translate needs and priorities into more detailed structured goal and subgoals
- Need understanding of the dynamic nature of the NCQG and how we can reflect that to speak to the dynamic nature of climate change and climate action in developing countries
- Need discussion on the features of the NCQG: how we ensure predictability but also the issue of debt. Could use debt reconciliation to meet financial target
- There has to be public finance to provide incentives for private sector. If we have a mobilisation goal, how much public finance should be for incentivising public sector?
- Accessibility: access to climate finance remains an impediment for climate action

Mamadouh:

- Next step should help us to streamline the options. By 2024 we want to have some concrete outcome in terms of quantum, the next step should go further on what we have achieved so far. We have many options, we will provide some additional options. Need to streamline them so they can be discussed during the Board session
- We are informed by other process: The SCF is working on definitions, need and priorities of developing countries; IPCC outcomes
- Keen to see max 3 options to be shared with ministers. The format of the political discussion I'm expecting to see clusters to discuss on options (not a plenary like last year). Last year we saw statements, propose a different way to organise. With clusters we can come up with concrete guidance for 2024

Julius:
- How do we determine the quantum? Important to have shared understanding of our approach to understanding the needs of developing countries
- Think about the different official reports from the UNFCCC process and how we can use them
- There are also other processes and institutions working on needs and priorities that we should consider. Would appreciate an opportunity to invite them to the TED and work on the scenarios for the quantum. That would allow us to interact with the actual needs and priorities of developing countries
- We need more discussion to enable us to talk about the place of the NCQG in the PA context and what exactly we are contributing to and working towards
- Want a conversation on principles and values. Especially what instruments and values can look like
- On transparency arrangements: important to think about what is going on in other processes. How do we link other processes to what we are doing here, that is a huge conversation

?:
- Re. the timeframe: the annual target can be active from 2015 to 2030.
- Structure: need specific number of dollars from 2025 to 2030
- Need discussion on quantum and quality of finance

EU:
- We are setting the goal in the context of global efforts capture din the PA
- We are setting the goal “taking into account” developing countries’ needs, not based on developing countries’ needs
- Good to get guidance from ministers on our direction of travel, where should we be looking in more detail?
- Reflect on transparency arrangements, it took us a long time to agree on the current tran arrangements, would be a shame to develop new parallel tran arrangements
- Mobilisation of finance is still important , difficult to track
- It is not finance for the sake of finance, it is finance to have an impact. Need to get into that aspect
- There are a lot of other processes outside of this one, including the UNFCCC process on funding arrangements for L&D that has links to this one. In trying to perfect the NCQG we must also keep an eye on what is happening outside of this one

Venezuela:
- Climate change is not stopping while we are here in this room discussing. We have to work hard and we have to do something now. Cannot spend years discussing the same, trying to convince someone that he complies with their promises
- We have to have in min our mandate, the differentialisation between developed and developing countries etc. Political will is absolutely necessary to fulfil what the PA wants from us
- I cannot talk about quantum without talking about quality. There is a strong relationship between the themes
- Re. cluster discussions: We have a small delegation. Our ministers want to have the whole picture. Avoid silo discussions. My minister does not want to have to choose between the clusters on quantum and quality

?:
- Get different actors and insights from reports for an informed discussion
- What sources of finance can actually work for developing countries and create additional burdens?
- Re. transparency: how can it be tracked, with what instruments? Transparency has become an important theme

NZ:
- Transparency: useful with a detailed mapping of what is already being produced in the different years between 2025-2030, will help us tease out gaps that we need to fill
- Need to tease out how do we make decisions without perfect information?
- Good with some inputs from the L&D funding arrangements and transparency work programme

China:
- Support that all countries should adhere to principles of the PA, esp CBDR and RC
- Be consistent with art 3 of the PA (on national contributions?)
- The most suitable option is to have an annual target from 2025 to 2030 in line with the time frame of parties NDCs
- Difficulties faced by developing countries in dealing with climate impacts is far faster than that of developed countries. Developed countries should double their provision of adaptation finance from 2019 levels by 2025. There is no roadmap to accomplish this commitment

Kelly (US?):
- Majority of speakers and interventions have been by men. The breakout groups were all named after men. Important to have an inclusive environment for women, POC, disabled and other minorities
- What is the goal trying to achieve? Think outside of the 100 billion goal structure
- Who will be part of the dynamic contributor base? Private sector and large economy countries that have not traditionally been contributors
- Think about how we can better cost needs going forward
- A world café, eg. what we had at the GST, would be welcomed by ministers. Don't need to discuss transparency, that is far to technical. But they can contribute to the larger questions

Karina (EU):
- Most vulnerable countries must be able to access finance
- Support the onion structure. It must be comprehensive and also encompass 2.1.c
- Important to have a work plan as soon as possible. Important to have the topics and opportunities beforehand
- Re. high-level dialogues: ministers are expecting to make their final decision at COP29, it would not be helpful to lock in certain parts of the decision already now
- The high-level should be interactive to make best use of the presence of the ministers and squeeze them on the ideas and contributions that they can give to the process

India:
- Some issues that need attention:

- Finance must be both adequate and timely
- The goal should be easy to implement
- Subgoals would make the goal too complex, should be avoided
- Need to be able to account for needs and developing countries
- Should address the balance betw mitigation and adaptation
- De-risking for private finance is important

Switzerland:

- Technical input: in addition to academic input there is one aspect that hasn't been mentioned yet. Outcome-oriented way to structure the goal needs more discussion and better understanding of what would be suitable indicators
- Need better understanding of the collective vs the individual contributions
- The format of the meeting is helpful (mix of presentations and discussion)
- We will have to talk about the contributor base to prepare for the political level. Understand that we will not be able to agree at our level but need a better understanding of what is on the table
- Not all ministers would be comfortable with a world café because they are concerned with protocol. But we could have some version of it where they know who they will be discussing with. Putting them in an environment where they cannot just read out statements will encourage them to interact

(Timor-Leste?):

- Re contributor base: good to know who should contribute with what modality

?:

- Some of the elements we thought were captured as subgoals might be qualitative principles. Discuss how they can be reflected
- Tech inputs: maybe produce a paper on the outcomes of the dialogue so we can have an overview and reflect on how the ideas can work together
- Also helpful to map out different UNFCCC processes/elements visually on a timeline. Helps show how the processes are interlinked

Session (agenda topic, time/date):
Friday 10/2
14-17
Stocktake session: technical and political issues + way forward

Note-taker: Clara Gurresø

Notes:

Jeremy:

- Need policy on involving stakeholders (women, youth etc). Should not underestimate the importance of involving stakeholders to enable successful implementation

?:

- Re. quality, access is a very important aspect. Also need to deep-dive on the modalities
- The GST is very important, it will also be forward-looking and this process will be important to tie in with what comes out of the GST

Kevin:

- Topics for the future dialogues: would like to talk about context. What is an appropriate context for the new goal? In terms of transparency, mitigation etc. we don't have strong views on what that looks like yet
- The role of 2.1.c remains to be discussed. Need a role on how it fits into this context. It has been referenced in every decision on the finance goal
- Policies and enabling environments has not been discussed much. Lesson from the 100 billion goal is that we need to consider how policy efforts fit into the goal
- Need to discuss what type of quantification we want and the impact dimension (of absolute dollar target, percentage etc)
- We don't have a good idea of adaptation costs globally (not only in developing countries). Not convinced that L&D is part of this conversation here
- Discussion of needs assessment methodologies. Folks use many different methodologies. Need to think in the same way
- What do we put to our ministers? What are the big political questions we want them to discuss with each other?
- This is a unique opportunity to discuss where we are heading and how we achieve 2.1 (including 2.1.c). would like to see the ministers have that discussion
- See a significant role for the private sector
- Need a discussion of which countries contribute, a lot has happened since the 100 billion goal was adopted
- Also need to consider domestic resources
- How do we create an effective and outcome-oriented goal? Spending money for the sake of spending money is not the objective here. Effectiveness needs to be part of the conversation

European Bank for Reconstruction and Development:

- Make the link to the long-term strategies. Data uncertainty is a function of where are we going. Need to preserve the bottom-up nature of the PA so by the time we put the target(s) we need to have more information about the long-term strategies. Many developing countries have not done that exercise yet. An important part of the exercise is doing to economic modeling for when you can reach net zero, and it also includes adaptation and resilience calculations. So we would like to speed up the formulation of the long-term strategies

Ivan:
- As a member of the SCF I have to emphasise the importance of (report) for these discussions
- Give clarity on our mandate for this process. We cannot afford to discuss issues that are not in service to the PA and its implementation

?:
- Some questions were ambiguous. We need to be straightforward and clear and be guided by the Convention
- Need to be clear on who has to provide finance
- We have regional needs assessments, eg the African group as made one with some quantification of needs. Need to consider the work that is out there
- I have seen a wide range of stakeholders involved in these discussions. The participation of private sector is lacking, we would like to find a strategy to involve them more. Private sector might not be accustomed to the way that we work (three-day long meetings) so we need to find a way to involve them
- Not everything about the 100 billion needs to be thrown out the window. Good to have annual target. We understand that the 100 billion was top-down, that needs to be corrected.

Fred:
- We haven't asked ourselves where the quantum has to come from
- We have to reiterate in the context of question 2, we have an opportunity to engage stakeholders who have some kind of analytical framework. From TED6 we need to start involving such research institutions so when we come to TED8 we have some kind of quantum figure that we can work with. For me that would be a big step forward. We need institutions that can give us figures on agriculture, the industry sector etc. Then from next year we can have better figures because people will start working with those analytical frameworks
- Need a session to look at the ETF, need session where we just talk about transparency and how frameworks can help us track he goal that we are negotiating
- A political outcome I'd be keen on is that the quantum has to be evidence-based

Dominik:
- Think about how to slim down the options while also bringing new elements in, that might take some time at the technical level
- Think about how to bring in other sectors
- A visual representation of the interconnected processes of the UNFCCC would be helpful. It will be a task to piece together the timelines and the reporting
- Ministerial dialogues should look at the scope of the goal. Would be good with a political sign of to be creative and aspirational

Mathias:
- For the next TED would be interesting to have a session on how to streamline options that were raised. We understand that this is not a decision-making forum
- We agree that we should not overcomplicate things. The NCQG should be objectively drafted but also allowing for some flexibility to attend and address

the urgency and scale of finance that needs to be mobilized
- Our approach was to use a basic tool kit on how to put together the structure (the what, how, who, when)
- L&D finance should be included
- We need further conversations on instruments and sources of finance
- Qualitative elements: effectiveness, composition
- Need to avoid ministers just reading out positions. In the last ministerial some ministers just read out long positions and then left the room. That is not helpful for our process here. Would be helpful to have them work in smaller groups

Philippines:
- Discussions should include qualitative and quantitative elements
- Also include transparency arrangements, including quality of data

Ricardo:
- Mitigation gains or losses affects adaptation and L&D
- Think about how long-term strategies relate to the NCQG
- The needs are going to be much higher than whatever goal we decide in the end
- Reflect on the role of private finance and what can predictability mean for them
- Need to remember that we have to differentiate between political will and capacity. Need to ensure that our ministers arrive well-informed and supported to make the decisions that they need to make

EU:
- What is the nature of the quantum? That decision is utterly political. We cannot decide on this, only the politicians can decide on it. Deciding on the quantum would be like starting to build a house from the roof
- The PA is bottom-up. Deciding on the quantum is a top-down approach. That decision should only be taken at COP29

Diana:
- Think about the role of scholarship that exists and bring in some of those experts

?:
- Look into different instruments that can avoid the situation of the 100 billion where most finance was channeled in the form of loans. That is very important for LDCs

Richard:
- Re. the scope of questions that can guide us: I have heard a lot here about engaging the private sector but less about engaging the public sector. Remember that private sector is not a party to the PA. need to talk about how to engage the public sector and what their challenges are
- A colleague said that ministers will make a decision at COP29 but we need to bring them in now so they can understand our discussion. Too late to explain it to them at COP29

- Want to see ministers responsible for finance/treasury at the high-level ministerial - not ministers responsible for environment, foreign affairs, they have no power, they cannot give us finance. Need to allow 1+1 because a lot of the ministers are new and don’t know enough

Session (agenda topic, time/date): Stocktake session, wrap-up and way forward
10 March, 14-17

Note-taker: Kasey Bellegarde

Notes:

Jeremy/Trade Union NGOs
- Need inputs on best practices for stakeholder input specifically from workers as well as groups like women, youth, Indigenous communities and other key groups

Rashi/Did not identify who/what he represents
- NCQG has to assess and quantify loss & damage so that it can be included in the goal, aided by collaborators like IPCC

Kevin/USA
- Topics for future dialogues-
    - What is the context for the new goal in terms of meaningful mitigation, updated to today's current circumstances?
    - What would it look like and feel like to take seriously 2.1C in the context of planning and shaping this goal?
    - More dedicated focus on impacts and effectiveness (GHGs reduced, communities made more resilient)
    - Need more assessment and quantification of what adaptation needs are globally. USA not sure if loss & damage will fit into this new function/new NCQG. Need more global assessments quantifying total financial need. And how to do standardize needs assessments so methodology is similar, clear, and comparable
    - "The finance goal" for the Paris Agreement
    - Who (countries) is contributing to this goal and how?

Debra/Papua New Guinea
- 100bn was not an informed decision, did not take into account countries' needs

European Bank for Reconstruction & Development
- Make the link to long-term strategies
- Data uncertainty is a function of where are we going? It is important that by the time we have a # target (new finance goal) identified that we have more data on what are these long-term strategies. Many developing countries have not done that exercise yet. Need to do economic modeling on when you can get to net zero- must be inclusive of adaptation & resilience.

Ivan/Did not identify who/what he represents
- in subsequent dialogues need to decide how to track & revise progress
- Main technical input for this process should be NDCs (should include mitigation, adaptation and loss/damage) Additional input- importance of the report on the determination of needs of developing countries also important source for ongoing review & revision of NCQG

Kasim/African Group
- Need straightforward, clear questions guided by Paris Agreement
- Need to be careful/conscious of language like "vulnerable groups" and language

that suggests all countries will be financially responsible for NCQG when Paris Agreement is clear on who should be paying
- Participation of private sector is lagging behind

Fred/Did not identify who/what he represents
- The need to start working for an indicative figure from TED8. From TED6 start engaging research institutions, INGOs to put forth some of these figures so that when we get to TED8 we have a quantum figure we can work with- that is a serious milestone for COP28
- need discussions solely focused on transparency
- High Level Ministerial Dialogue must consider/support that quantum has to be evidence-based, needs principles to guide it, and needs structure/elements of goal

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- Need to avoid ministers at High Level Ministerial Dialogue simply reading from prepared statements or speaking for prolonged periods of time in monologue repeating their positions/prepared statements of which other parties are already aware. have to promote engagement, dialogue, interaction and progress

Philippines
- Next steps must include qualitative/quantitative assessments, transparency, tracking/progress metrics and oversight

YOUNGO rep
- youth have to be part of the process as inheritors of the Earth
- welcome more representation from civil society, especially from countries who will receive finance- civil society will be implementors and distributors of these funds on the ground

Ricardo/Island Nations
- Must keep in mind mitigation gains or losses directly affect the cost of adaptation and loss & damage
- have to differentiate between political will and political capacity
- important for representatives here to ensure that ministers arrive at High Level Ministerial Dialogue appropriately briefed

EU
- Paris Agreement is bottom up, deciding on quantum is top down. quantum is entirely political decision
- believe such a decision should only be taken at COP29

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- ensure NCQG takes into account economic inequities which should not be further exacerbated for less developed countries
- Those countries that did not deliver on 100bn must be made aware and reminded of the consequences/impacts for continuing to fail to deliver on promises

Richard
- in response to EU comments, waiting until COP29 is too late. We have to get the data and talk to experts now, get the info we need to make decisions now
- target certain ministers, not just any minister. be strategic on who has decision making power and control over finance

ENGO

- how to bridge a needs-based financial goal that is also feasible to attain

SUMMARY- LEAD UP TO TED6
- Co-chairs will prepare summary of dialogue including possible options
- Publish work plan as mandated for 2023- themes for technical expert dialogues to be held this year
- Prepare and publish a set of guiding questions for TED6 for parties and non-parties to make a submission
- Initiate preparations for TED6