TED 9 – Day 2

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Working Group on Linkages and Interdependencies

What are the key linkages and interdependencies between the elements of the NCQG and options outlined in the 2023

Timeframe

Short: 5

Medium: 10

Long: 25

Combination

With or without milestones

Quantum

Needs

Onion

Thematic

Multi-layer

Reflection in 2.1C

Switzerland	More straightforward Cumulative versus set point (by x, or over period of time) Longer time period, the bigger the quantum
Saudi Arabia	Quantum: bottom up way Time frames: set parameter 5 year what we want – because data is there Longer time frame, more uncertain needs
South Africa	Issue: Some of the global objectives set in GST (interactions with goals) Also need to look at NDC timeframes
Switzerland	Timeframe changes what sources of information you can consider
Saudi Arabia	Will NDCs and NAPs be sources of information
New Zealand	When we think about timeframes We have to work with the information we have got Other factors feed into what determines the quantum Quantum for what? Public and private Private finance has another interesting relationship with time

	Short term reduces the scope to have a meaningful climate finance quantum, given practicality of actions needed to do that
	2025 to 2030 aligned with ETF, NDC cycle, and global cycle
Malawi	Need to have quantum that responds to needs and science 10 years or more the target, maybe 15 With provision for periodic review
Henrich Boll	Process framing/orientation – aligning with GST, whether one cycle or more 5-10 year frame: limitations with science based frame Procedure alignment with GST and ratchet mechanism
NZ	Timeframe and transparency framework
AUS	Quantum with private finance aligning Average time to use public to mobilize private: 3-5 years Need time to assess if successful at crowding in private

Timeframe and Transparency

Saudi Arabia	Need to differentiate between mobilization issues and timeframe Two year reporting cycle ETF online end of this year, BTRs submitted – two additional cycles after that in a five year period "coherent"
NZ	Dec 2029 – first data related to NCQG Only one year to course correct Five year doesn't work, as related to the ETF
Switz	Agree: only one report in timeframe of actual goal Also challenge of cumulative versus individual reporting BTRs individual Biennial collective report can only be prepared once individual report comes in – also adds time Another element to consider about information available
EU	We are also looking at ETF as backbone of transparency But also have opportunity in 2028 to review ETF Good to make room to capture progress/update
	Sufficient data to course correct Including impact and effectiveness Need longer time frame to do this
Bhutan, LDC	Longer time frame leads to confusion
Somoa	Would we be selling ourselves short with small timeframe? Reporting an issue for small islands Such as National Communications and NDCs
Saudi Arabia	View goal as annual target that could be achieved every year
South Africa	Could learn lessons from MDBs, in terms of reporting frameworks for transparency
NZ	Takes some countries longer to produce plans that are needed to attract finance Longer term horizon creates more space for access Also ETF review in 2028 Short time frame makes it harder to take advantage of that review

Switz	Early 2025 submitting NDC timeframes for 2030-2035
Saudi	Other linkages more relevant Ambition and quantum Implementation and quantum Scope and quantum (L&D)

Structure and Quantum

Malawi	Structure needs to address adaptation, mitigation, and loss and damage Each should have a quantitative sub-goal
South Africa	Also what outputs are we hoping to achieve GST: triple renewable energy by 2030 -> output we want to achieve Structure: which outputs do we want to achieve in each area Help us form quantum – what resources do we need to achieve outcomes
Aus	Adaptation activity that also mitigates is better But how do with this sub-goals
Boll	Can help address imbalances in 100B goal GCF: has a framework that separates, but cross-funding OECD does something similar with overall
SEI	Outcomes: much more challenging for adaptation Because still technically difficult to say what is effective adaptation Locally led adaptation
EU	Triangular interlinkages Interlinkage with structure: structure of what and how we see it as this multilayered approach, including multiple sources Contributor base also part of it
Saudi	Not a fan of onions Streamlined structure enhances clarity and accountability Sub-goals have huge implication on quantum Advocate for bottom up aggregation
Switz	The wider the structure, the bigger the quantum The narrower the structure, the smaller the quantum Horizontal cuts can have a quantum Vertical cuts can have a quantum
NZ	Layers among elements creates opportunities for more quantum Different sources Different policies E.g., quantum around phasing out fossil fuel subsidies E.g., restructuring sovereign debt

Implementation and Quantum (Saudi Arabia proposal to discuss)

Saudi Arabia	If quantum relates to needs, have to implement plans

Sub-Goals and Quantum

Switz	How if you have different sub-goals do you account for double counting Other sub-goals: qualitative, not necessarily link to money quantum, but could be quantified E.g., restructured bilateral sovereign debt E.g., gender Could also have a policy sub-goal (rather call it sub-layer) Implement policies to push and pull funding into geographies where funding is most needed
Boll	Qualitative elements of sub-goals could be both within the sub-goals E.g., LLA Could think about progressing that number or percentage upwards Additional qualitative sub-goals: related to access, or gender, or workers' just transition Particularly if in decision text we might not elaborate on quantitative
Honduras	A multi-layered approach Horizonal in thematic areas (M, A, L&D) A number attached to that structure Core would come from the provision goal, center of structure
Switz	Ready to have a policy sub-goal that encourage countries to increase policies that push/pull finance and reduce policies that do the opposite Ready to have a combination
	Creating a transformational change of system Relates to multi-layered approach Agree: 100B, take lessons in account Committed to public finance But need clear signals to all sorts of actors and signals

Contributors/Sources and Quantum

Switz	The wider the contributor base, the bigger the quantum Public: if we maintain the traditional contributor base, the quantum will be much smaller than if we included all actors with the ability to contribute Our own ability to increase our own quantum is inherently linked to the number of additional contributors we get Cannot get parliamentary approval
Saudi	Two schools of thought Second school of thought: contributors set by mandate of NCQG, and unfccc Developed countries obligated Climate finance not a carve out

	Inverse relationship between number of contributors and level of predictability Inverse relationship between contributors and additionality We hear that climate change is urgent, but what is stopping action? Bureaucratic processes
EU	Evolving nature of capabilities and capacities Getting a better view of where the coins are headed can enable better coordination Three cs: comprehensive, coordinated, complementary
NZ	Expanding contributors an enabler of ambition Need more clarity Helps us to increase predictability
Boll	Definition clear in Paris Agreement
Switz	It says developed country parties, but does not list School of thought: PA under Convention Two distinct multilateral environmental agreements PA does not contain a list Self-differentiated in the context of the PA Some countries ratified according to what status they consider themselves to be in Article 9.3 speaks of a global effort and developed country taking the lead
Saudi	Para: adopted under the Paris Agreement
Bhutan	Clear who should be leading
South Africa	Aligned with Saudi Arabia No changing of the PA Process needed and this is not that space
Honduras	There is no mandate to create a list
	Mediating options NDRs: clear on overall needs, public finance cannot provide enough, contributors under UNFCCC Inviting parties, private actors, not to commit, signal a number they could fulfill
South Africa	As many sources as finance as possible But how certain they will flow? NCQG key for predictability Need private, but uncertain Policy layer from two sides: need for developing countries to attract finance But also needs for developed countries not to create a disabling environment
Saudi Arabia	Wide variety of sources, but needs to be a point of accountability A lot of opportunity here: mobilization did not work well, blended finance not delivering
Switz	If we don't speak to other sources at all in the goal Then we send the signal that it doesn't matter So need to include them, even under different provisions May require changes to transparency framework

Ambition and Quantum

Aus	More money, more action Opportunity for transformative shift in global understanding of transformative finance Need PR campaign like net zero: improving understanding of finance flows that are climate positive
	Not so simple as more money, more action Access issues
EU	Also need sufficient conditions Framework conditions, enabling environments
Saudi	Quantum is the determining factor in ambition
Honduras	Conditions: high costs of capital
France	Relates to qualitative elements

Report Back and Discussions

Selamawit Wubet, Global Centre on Adaptation	Time frame and quantum: • Preference for 10; five year review Contributor base Structure and quantum: • Sub-goals and instruments • M&A, but L&D unclear -> impacts quantum • Adaptation gap • Sub-goals to enhance accountability and targeted approach Sources: • Public and private • Review and ETF timing (2028) • SCF review of gaps
Joe Thwaites, NRDC	Timeframe: • Link to NDCs, GST • Annual v cumulative • Annual scale up • Longer time frame = higher quantum • Match 5 year Paris cycle with BTRs every two years? • National budgetary processes Contributor Base • More contributors = higher quantum • What is objective? Developed country delivery or maximizing overall climate finance, both • Mobilizing and tracking private

	Structure and quantum: • Layered: imply different approaches in sources/approaches • Overall quantum different from cumulative sub goals? Should not limit ambition Transparency -> maybe a space to narrow down options, technical discussion
China	Not sticking to the mandate of the agenda item No quantum raised over the last two years by developed country Private finance will not support L&D or adaptation Will not entertain renegotiation of contributor base
US	Mandate: only a few decisions form mandate for NCQG Only two articles (9.3, contributing to 2.1c) 2.1c all parties 9.3 all sources – developing countries taking the lead, global effort Inter alia list, not exclusive of list of elements Contributor base absolutely on the table Bigger contributor base, bigger quantum Goal is to capture all that is happening, make it transparent, scale it up
Mahlet Eyassu Melkie, RMI	International architecture, NCQG, 2.1c • Complementary roles Timeframe: • 5 v 10 • More difficult to estimate need over time Contributors Private -> send message Structure: • Starting point matters • Sequencing elements of discussion • Time frame and transparency could be starting point, other elements build on that
Preety, WRI	Timeframes, quantum, transparency: • Short term goal, how is it linked to reports (NDCs, NAPs, GST) • Reporting, periodicity of reports not in sync • Cumulative, but annual review Design: quantum, structure, sub-goals • Global with support goal, and thematic goals • Could the two different approaches be subsumed, but implications for transparency • ETF adequate, or bespoke Quantum and transparency:

	- Burden sharing - Centrality of public - Private sector outside unfccc, how ensure transparency of mobilization - Forward or backward looking, progression
David McCauley, Senior Climate Finance	Clearer definition of climate finance Structure: public international flows the core South south cooperation as innovative source

Africa Group	Timeframe: milestones Cumulative overall amount But needs based Two types of figures: bigger, and underlying sub-goals that inform
NZ	Layers and sources Less predictable finance can still be part of goal Are there things we can put in goal to make it more predictable? Policy signals Space for variation
Saudi Arabia	Strongly desire goal in line with principles of convention, article 9, CBDRC Enhancing access Developed to developing Trillions