UNFCCC Meeting Report New collective quantified goal on climate finance - Contact group: CMA 11 (a) (Negotiating Session)

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Meeting: COP29, Baku Azerbaijan

November 12, 2024

Time	Session/Agenda/Event Title	Location
10am - 12pm [meeting went into overtime, finished ~1:50pm]	**New collective quantified goal on climate finance - Contact group: CMA 11 (a)**	Meeting Room 12, Area C

Relevant Links or Attachments:

Proposal: **FCCC/PA/CMA/2024/9/Add.1**

Key Takeaways:

- Increased Quantum: *Advanced*
    - See: G77 and China, Gambia obo LDCs, AOSIS, Kenya obo African Group, Bangladesh, Nepal, Cuba, Sudan
    - Opposed: Switzerland obo EIG, EU, U.S., Canada
- Subgoals related to each financing source (public vs private etc): *Advanced*
    - See: AOSIS, Colombia obo AILAC, U.S.
- Advanced timeframe (10 years or less): *Advanced*
    - See: Colombia obo, AILAC, AOSIS
- Subgoals related to each sector/mitigation pathway: *Advanced*
    - See: Bangladesh
- Indicators of successful NCQG delivery: *Advanced*
    - Transparency: *Advanced* (clear standards for high quality, new and addtl. climate finance)

        - See: G77 and China, AOSIS, Brazil obo Grupo Sur, Norway, Bangladesh, UK,
    - Climate finance directly accessible for climate vulnerable groups: *Advanced*
        - See: G77 and China, Gambia obo LDCs, New Zealand
    - Financial instruments that do not add to debt burdens: *Advanced*
        - See: Brazil obo Grupo Sur, Colombia obo AILAC, Kenya obo African Group, Bangladesh, United Republic of Tanzania, Pakistan, Fiji, Turkiye
    - Maximizing cost effectiveness of climate finance: *Advanced*
        - See: Kenya obo African Group
    - Address knowledge gaps: *Advanced*
        - See: Fiji
    - in country capacity to effectively deliver finance for project implementation: *Not Advanced*
- Ambitious targets for phasing out harmful subsidies: *Not Advanced*
- Alignment of timeframes/review cycle with already ongoing processes: *Not Advanced*
- Use of Global Biodiversity Framework: *Not Advanced*
- Avoidance of double counting: *Not Advanced*

Notes:

Co-Chair	● Notes the hard stop at 12pm ● Subscribe to the (Party only) email list as shown on screen, meeting room 6 as an overflow ● Aim to use time to invite Parties' expectations on deliberations, move towards ● Clear mandate of direction of draft text due Saturday
G77 and China	● Request $1.3trn per year from developed to developing countries ● Cite Articles 9.3, 9.4, CBDR-RC ● Apportion global finance burden ● NCQG text must ... ● Financial resources must remain operational, affordable, ● No conditions on financial access, protect national sovereignty ● Financial architecture must increase parity ● Transparency ● Reflect the ambition of 9.4, 9.3
Gambia obo [on behalf of] LDCs	● Acknowledge LDC are 14% of global population, yet highest level of poverty, climate impacts; 69% of global debts over past 50 years; NCQG is quite important and must be ambitious ● $1.48trn per year by 2030, in line with NDCs ● $240bn per year for LDCs

	● Underestimate of needs ● Must reflect the operations 9.4, 9.9; needs and priorities of developing countries ● NCQG must provide clear aim of climate finance ● 20% flows to / allocated to enhance transparency
Samoa obo AOSIS	● [delay from outside sound / microphone feedback] ● Aligned with G77 and China ● Shift of burden to private sector would further harm developing countries ● Parties with high financial risk profiles may not receive appropriate financing ● Focus on scale and access includes ... ● US$39bn is an underestimated representation of actual needs of developing countries ● In line with G77 position, NCQG must be >$1.3trn; in the context on $39bn, such a request does not threaten developed countries ● Strong emphasis on $1.3trn quantum ● Minimum allocation flows ... ● There is a need for well-developed market for climate finance for developing countries ● Lack of clear understanding of loss and damage financing, there needs to be discussion of a concrete definition ● Must not utilize climate finance as the expansion of climate inaction / maintenance of the status quo ● Transparency: ETFs will form the basis; annual progress updates from developed countries; developed countries report key indicators for enhanced finance; secretary must report as an independent authority as well ● Temporality: 10-year frame ● NCQG must have a relationship to COP, affirmation of the financial needs to address climate *read: Parties should not be able to leave the Paris Agreement and avoid contributing to the NCQG. Likely referencing the United States.* ● Will send draft text at end of session
Brazil obo Grupo Sur	● [difficult to hear / mic issues / others in room are speaking] ● Thank COP29 Presidency ● NCQG is a negotiating tool, expectation for higher ambition ● NCQG must be considered in light of CBDR-RC ● Article 9, based on historical emissions of developed countries ● NCQG must meet the long-term goals of the Paris Agreement ● Climate finance depends on the establishment of the NCQG ● Quantum must be determined first before further negotiations ● Highlight quality of financial resources, should be based on

	the instruments of the UNFCCC ● Financial flows should not impose further conditionalities on developing countries ● Stress the need for transparency to ensure non-concessional finance ● Express understanding of relationship between SDGs (Sustainable Development Goals) and climate finance
Colombia obo AILAC	● [mic issues \ strong feedback] ● Thank COP29 Presidency ● Underscore the independence of ... ● NCQG as a provision of hope, yet it has simultaneously contributed little to climate work; look to devastating floods, infrastructure damage, other adverse effects of climate change; no developing country left behind ● Support of developing countries will increase ambition and action ● Produce a text for the second session ● $1.3trn quantum per year ● Cite Article 9 and 2 ● NCQG must be "ambitious, trackable, and real" ● Temporality: 10-year frame ● Access to capital (or lack thereof) limits the effectiveness of Paris Agreement ● Connection of SDGs to climate finance; developing countries should not have to choose between meeting SDGs or climate finance ● Concessional finance [loans] is unfair, further kneecaps developing countries ● Grants-based financing ● Regional allocation floors for all developing countries (strongly emphasized) ● "Cannot replace a finance crisis with a debt crisis." ● Do not punish developing countries in their pursuit of climate action. Again, climate finance should not come at the expense of progress towards SDGs. ● Specifies the need for developed countries to send secure signals to regulators and other sources of capital to shift climate financial flows towards developing countries ● The NCQG directs public financing, not private. [The contributor base should be at the national level.] ● Echos Brazil
Kenya obo African Group	● This COP must set a $1.3trn per year goal ● Climate finance must reduce the cost of capital ● Mobilization from public sources, *implies a national-level*

	contributor base ● Expand the use of financial instruments by 2030 ● Scale up use of local currency lending ● Forgiveness of debt interest
India obo LMDC	● Quantum of $1.3trn per year ● Exclusively provided from developed countries ● NCQG must define what does not count as climate finance, concessional loans should not be included. By contraposition, there needs to be a definition of climate finance. ● National sovereignty must be respected ○ *Unsure on relation of respect* ● Developed countries should acknowledge failures of $100bn goal and the need for a significantly scaled up goal ● Cite Articles 9.4 and 9.9 of Paris Agreement ● Alignment with G77 and China
Saudi Arabia obo Arab Group	● Alignment with G77 and China ● All elements must be negotiated together, no piecemeal negotiations ● No room for deferral, NCQG must be decided in Baku ● International community should take notice, “be on the right side of history” ● Developing countries suffer the consequences of inaction, and fails of the international system created/maintained by developed countries ● “Contributor base is a distraction.” ● Cites ECO paper circulated on first day of COP ● Distractions aim to obfuscate the quantum *read: quantum must be determined first* ● As seen during COVID, developed countries are fallible ● Developed countries contribute to HLMD, TED ○ *Unsure of relevance to argument* ● Calls for co-chairs to produce a draft text consistent with the ADWP , will not accept an alternative; argues for equal status with developed countries ● Arab Group will not elaborate on their position, there is no room for negotiation ● Hope to see a paper in the second session for consideration
Switzerland obo EIG	● Starting from scratch is a waste of time as much work remains ○ *Supports $100bn per year goal* ● Call to action for completing NCQG in Baku
Norway	● Thanks Co-Chairs on attempt to capture all views over past 3 years in text

	● More work done on "context, access, and transparency" ● First draft decision text needs more language on how to direct financial flows, how aim of NCQG fits into the Paris Agreement ● Prefer better description of contributor base and timeframes
Bangladesh	● Quality and quantity are equally important ● >$1trn USD quantum ● Transparency and disaggregation of development and climate financing ● Cite Article 11 of UNFCCC; 9.4, 9.7, 9.9 of Paris Agreement ● Expect balanced allocation, especially for loss and damage ● At least 25% of flows for loss and damage ● Grant-based adaptation financing ● Do not increase the debt burden of developing countries ● Transparent accounting of adaptation and loss and damage
Nepal	● NCQG must align with the respective equities for Parties ● >$1trn quantum ● Cite Article 9.4, 9.9 ● [Increased] Access to private finance is a requirement ● New, additional, predicable, and sustained financing ● Negotiations should outline the definition of private finance
United Kingdom	● Notes the high interest in getting inside this room, overflow room reaching capacity, mic issues ● Produce a draft text ● NCQG must be informed by the evolving needs and priorities of developing countries ● Cite Article 9.4, 9.9 ○ *Another article was cited, thought it was puzzlingly Article 6* ● Quality, debt, access to education ● NCQG needs a clear aim ● Must be consistent with mandate and Article 9.3; wide variety of sources, to developing countries and the global south; public mobilization in the billions ○ *Read: not trillions* ● Transparency should be guided by ETF ● Timeframe must be negotiated ● Para 28 of GST ● Unclear meaning and consistency within the draft text, see paragraph 3 and 9 ● Need to make compromises, ready to work with all Parties over the next week

European Union	● [mic issues]
	● Does not want to repeat EU's position, as already elaborated in their submission
	● Consensus for generating a draft text mandate for next session
	● Most issues mentioned are political
	    ○ *Read: COP negotiations have a limit on feasibility*
	● Hearing frustration with quantum, between \$100bn and \$1.3trn; stress the need for a feasible quantum
	    ○ *Read: closer to \$100bn*
	● Developed countries will continue to take the lead in the NCQG
	● Misrepresentations of NCQG, calls to global action, non-Party action
	● More targeted language on accessibility to climate financing

United States	● Congratulate co-chairs on leadership
	● Would like to see "substantial" work completed at COP
	● Misplaced brackets within the proposal, some proposals are missing
	● Cite decision 14/1
	● Need a global investment goal: international, domestic, public, and private.
	● Maintenance of \$100bn quantum
	● Goal must be ambitious, but achievable
	    ○ *Similar argument as EU*
	● Agree with UK on the "un-particular" aim of NCQG
	● Seems self-evident the \$100bn goal was met and exceeded in 2022
	● Concur with others (developed countries) on burden sharing
	    ○ *Read: expansion of contributor base to emerging economies*
	● Must go back to the drawing board
	● The US proposals are missing from proposal, especially on the contributor base
	● The goal is already a floor of \$100bn, why try to go back a negotiate, move forward with other matters
	● Contributor base must be discussed
	● Must have conversations on accessibility and financial enablers
	● "Text is overly specific, yet inoperable."
	● Transparency needs work on the technical level
	● Parties should move forward with negotiations and not remain, happy to collaborate

Canada	● Mentions their lost voice and associated difficulties ● Concurs with the EU

	● Canada’s commitment to human rights, gender ● Burden sharing impacts the sovereignty of countries ● Structure will limit the conversation ● Further submissions will not be helpful ● Discussion on definition of climate finance is unhelpful, given the discussions in the past; definition is implicit ● Maintenance of the $100bn quantum, as agreed in Copenhagen ● Draft text must include investments in land ● NCQG must include domestic finance from all countries ● Contributor base aspect is a bottom line ● Requests the provision of an inf or inf-inf, ask for room space
New Zealand	● Major issues with the NCQG’s “limp” aims ● Burden sharing ● Language on inclusion has been weakened and should be strengthened in draft text ● Despite problems, this is not the draft text ● Strengthen aims, draw on Glasgow, integrated goal formulations, criteria of the annex ● Inclusion of indigenous peoples ● New Zealand contributes, and it is not the wealthiest developed country, therefore others (emerging countries) should too ● Ministers will not be able to resolve at the political level if work is not done in this room ● Work on quantum is useless without greater structural work
Co-Chairs	● End of time, completed 17 speakers, 14 speakers on list ● Propose adding 30-minutes, otherwise continue at next session ● Announced they would continue
Cuba	● New, additional, and predictable financial flows ● Asked for 2.2 trillion [in public financing]
United Republic of Tanzania	● The NCQG is not a charity, it is a necessity for developing countries and responsibility of developed countries ● Should not increase debt burden of developed countries ● Developing countries should not entertain choosing between financial stability and climate action ● Further discussion is needed on transparency, accountability
Australia	● Goal of establishing the NCQG in Baku ● The NCQG should strengthen ambition ● Text should be streamlined ○ *Read: text should not be rigid. See US argument on*

	over specificity. ● The creation of a floor target and additional target, to set global ambition towards climate finance goals, especially for private finance as suggested compromise between $100bn and $1trn ● The NCQG should set “maximal ambition” ● Does not seek to change Article 9 or backslide on commitments to provision of climate finance, nor does Australia seek the imposition of new burdens or obligations on other Parties ● Points not in agreement should have a no option option ● Requests space from Co-Chairs ● Concurs with Canada on addressing the structure of the NCQG
Japan	● Notes the differing views expressed by Parties, despite the collective aim on formulating the NCQG ● Stresses the need of finding common ground ● Framework is the collective outcome ● Quantum should be considered last
Burkina Faso	● Aligns with LDCs, African Group, and AOSIS ● New, additional, …, predictable financial flows ● Grant-based formulation
China	● Aligned with G77 and China, LMDC ● Shared commitment to address climate change ● Deeply concerned about international balance and interests of developing countries
Iran	● [quiet mic] ● >$1trn from all developed countries
Honduras	● Alignment with G77 and China, AILAC ● Thank co-chairs ● Importance of maintaining context of NCQG ● Reaffirms the NCQG is based on the needs and priorities of developing countries
Iraq	● Cites Article 9 ● Goal must reach all developing countries ● >$1.3trn quantum
Bhutan	● Alignment with G77 and China ● Cites Article 4.8, noting the unique supports for landlocked countries with fragile ecosystems ● Public financing, not private

	● Non-debt based financing needs a more clear definition ● Additional protections from debt cycles enabled by currency devaluation
Russian Federation	● [interrupted by Saudi Arabia]
Saudi Arabia	● [believe it’s a point of order] ● Mentions the overtime, as the Co-Chair stated the meeting would only go 30 minutes over [at this point ~50 minutes over] ● Questioned whether additional overtime would produce more productive dialogue
Co-Chair	● Defers to secretariat for time concerns
Secretariat	● Affirms time for discussion on all matters
Co-Chair	● Asks Saudi Arabia if it is permissible to continue speaker’s list; Saudi Arabia confirms
Russian Federation	● Support the mandate for a new text but the new text must have changes ● Will submit written inputs
Sudan	● [difficult to understand] ● Thanks the co-chair ● Aligns with China and Brazil ○ *Unclear if meant China’s negotiator or G77 and China* ● Reflection of human rights with climate financing ● Quantum must be in the trillions (plural) ● Climate finance must be differentiated between climate action and development activities, need a definition on climate finance ● Transparency: ETFs under the Paris Agreement ● Least developed countries contributed the least and are among the most susceptible to climate change; contributor base must be developed countries
Pakistan	● Alignment with G77 and China ● Express concern with climate change ● Mention’s Pakistan’s minimal contributions to global emissions ○ *Read: and therefore should not have to contribute to climate financing* ● Wants to pursue SDGs ● There should be no loans within the NCQG, grant-based ● Alignment of Article 4 of COP and 9.3 of Paris Agreement

Fiji	● Alignment with G77 and China, AOSIS ● Will not compromise on the 1.5°C goal ● Grant-based financing, in alignment with the principles of equity and CBDR ● No loans, especially not concessional ● Notes the difficulty of attracting financial flows in the Pacific, both from a risk and knowledge perspective ● There should be a minimal financial floor for SIDS ○ *Note: missed the exact number for such a floor*
Jordan	● Thank co-chair, COP Presidency ● Maintenance of the principles of transparency ● The NCQG is integral to meeting the Paris Agreement ● Financial distribution should balance mitigation and adaptation
Turkiye	● "Article 2.1(c) is mentioned under different headings." ● NCQG should be accessible to all developing countries and meet contribution targets ● New annexes is contradictory to previous work on the NCQG ○ *Read: the contributor base should be developed economies* ● Parties should not renegotiate the Paris Agreement ● The ongoing Sharm El-Sheikh Dialogue, and discussion of Article 2.1(c) ● While multilayered [public and private] finance is not in agreement, the core goal of grant-based financing is accessibility to all developing countries ● Appreciates the work of COP Presidency and looks forward to a balanced draft text from Co-Chairs
Ukraine	● Alignment with the EU, Norway, Canada, and the United States ○ *What about the rest of the Umbrella Group…?* ● Emphasized the need for access to climate finance in post-conflict zones ● Ready for submission
Co-Chairs	● First iteration of draft text, send written inputs by 5pm Nov. 12 ● New text should be available in the early morning of Nov. 13 ● Previous 3 years of written inputs will not be automatically included, so all information for this new text must be included in additional submissions ● Request for succinct written submissions ● Made Meeting rooms 1 and 7 available from 6:30pm further

	discussion