

Rich discussion on process to determine new finance goal

Glasgow, 3 Nov (TWN) - On 2 Nov, the 3rd session of the Conference of Parties to the Paris Agreement (CMA 3) convened its first contact group on the new collective quantified goal during the ongoing climate talks on Glasgow. Countries had a rich discussion on the matter, with **Zaheer Fakir (South Africa)** and **Outi Honkatukia (Finland)** Co-Chairing the discussions.

(In the decision adopted in COP 24, Parties had agreed to initiate in 2020, deliberations on setting a new collective quantified goal from a floor of USD 100 billion per year. Given that formal negotiations did not take place in 2020 due to the COVID-19 pandemic, COP 26 is the first opportunity for Parties to discuss this.)

Setting the stage for discussions in the contact group, Honkatukia requested Parties to reflect in their interventions the principles, working modalities, including the nature of work and timelines and components of the process towards setting the collective goal.

South Africa, for the **Africa Group**, said leadership, inclusiveness and budgeting for the work at hand were some of the key principles that had to drive this process. South Africa suggested a process to be led by an inclusive group comprising Vice-Chairs from the UN regional groupings, akin to the UNFCCC Bureau style format. By inclusiveness, South Africa called for engaging

with technical and constituted bodies under the Convention and the Paris Agreement (PA) and stressed the role of the Secretariat in the work and for budget to be allocated for this.

South Africa also cautioned developed countries to not use terms such as ‘those in a position to do so’ since such language does not exist in the PA and that Parties should not spend time discussing that. (In the run up to the PA, developed countries wanted to use the term to indicate that while the developed countries are mandated to provide support to developing countries, ‘others in a position to do’, meaning ‘developing countries’, must also contribute to the goal. The final Article 9.2 in the PA only provides that ‘*Other Parties are encouraged to provide or continue to provide such support voluntarily*’).

The Africa Group also said that the goal is not just about a number and that the process should be “creative and innovative” and the challenge is to arrive at an ambitious and unique goal, adding that there were issues of economic, social, and health justice that need to be factored in.

In relation to the components of the work, the African Group’s proposal was to start work in 2022, with a call for submissions, convene regional consultations, consider reports by constituted bodies and integrate findings by Intergovernmental Panel on Climate Change (IPCC), adding that it was not convinced about the value

of a workshop process. It also said that all meetings related to the collective goal should be open to observers and webcast. South Africa stressed that the goal must be concluded in 2023 since it will have a bearing on countries as they prepare their second round of nationally determined contributions (NDCs).

South Africa also said that developing countries were highly indebted and the world could never make the transition required with existing instruments, and as a way forward suggested Parties spend time discussing the issues to arrive at a common understanding rather than jumping to a text straightaway.

India for the Like-Minded Developing Countries (LMDC) supported the Africa Group and added that the issue of progression needs to be reflected in the collective goal. It highlighted that the pre-2020 goals were not met by the developed countries and that developing countries' needs must be met while adhering to the principles and provisions of the Convention. It also raised the issue of the definition of climate finance, adding that this has a clear connection with the goal, and that it was high time the new collective goal reflects ambition on provision and mobilization of climate finance.

Malawi for the Least Developed Countries (LDCs), wanted the goal to be concluded by 2024 and called for a decision in Glasgow on a roadmap that gave them the deliverables for every year till Parties reached the point of deciding on the goal. It called for the goal to be based on the needs of developing countries, including for loss and damage needs, and to take lessons learnt from the long-term climate finance (LTF) process. Malawi also called for a clear framework in relation to accounting, tracking and reporting on the goal, and said Parties need a working definition of climate finance so that there is clarity on what is being reported. It also raised issues around access to climate finance challenges to be recognized and resolved in the discussions on the collective goal.

Antigua and Barbuda for the Alliance of Small Island States (AOSIS), referring to its submission on the collective goal, and said Parties could not afford

to make the 'uninformed mistake' they did in Copenhagen in relation to the USD 100 billion goal. It called for deliberations to be transparent and inclusive and a process where everyone has an opportunity to input equally. In relation to the principles, AOSIS said they are looking at the goal through the lens of Article 9.3 of the PA. (Article 9.3 of the PA states, "*As part of a global effort, developed country Parties should continue to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties. Such mobilization of climate finance should represent a progression beyond previous efforts.*")

AOSIS proposed ministerial dialogues that took stock of the process at the end of each year, with the aim of completing deliberations in 2023. AOSIS also said that they need to see clear quantitative, qualitative elements as well as issues around access to climate finance and stressed the importance of tracking progress via the Enhanced Transparency Framework of the PA in the discussions.

Costa Rica for the Independent Alliance of the Latin America and the Caribbean (AILAC) said it would not consider COP 26 a success without an outcome on the collective goal and stressed on the need to arrive at a text as soon as possible. AILAC said the objective should include a direct reference to Article 9.3 of the PA and it must be clear that the new goal's purpose is to scale up climate financing for mitigation, adaptation and loss and damage, with the aim of keeping global temperature rise to within 1.5°C and fostering resilience. It also called for an open, inclusive and transparent process. AILAC suggested that work should start in the first half of the next year, with an annual report to the CMA and called for a compilation of inputs and a range of options on both the qualitative and quantitative aspects by the end of 2022. AILAC further proposed that in 2023, negotiations should focus on qualitative elements and in 2024, negotiations should focus on the quantitative elements, adding that arriving at a quantum amount should be done through the use of

different sources of inputs arranged in thematic areas such as mitigation, adaptation and loss and damage.

Brazil spoke for **Argentina, Brazil and Uruguay (ABU)** and said that history must not be repeated as was the case at Copenhagen in 2009, where negotiations were neither transparent nor inclusive in relation to the USD 100 billion per year by 2020 goal. It highlighted the relevance of the recent needs determination report (NDR) by the Standing Committee on Finance (SCF) for the collective goal process. Brazil also said the new goal must have political and technical aspects and include quantitative and qualitative components, with regular reporting of progress of work to the CMA.

Pakistan stressed on the need for a substantive decision at COP 26 with clear milestones and timelines towards the collective goal and called on Parties to conclude the work in 2023, adding that the process takes into account the NDCs of developing countries as well as other reports such as the NDR. The collective goal should address the definition of climate finance and without a definition, any new target would always be questioned, it said further.

China expressed disappointment that the USD 100 billion commitment of developed countries had still not been realized and underscored that climate finance is the foundation to achieve the objectives of the Convention and the PA, adding that the NDR should feed into the discussions on the collective goal.

European Union (EU) called for discussions to be inclusive and transparent and it envisaged a process where not just Parties but external stakeholders were also included to see what solutions were available. The EU said the deliberations on the collective goal must include making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development and the needs of developing countries (which is referred to in Article 2.1(c) of the PA).

The EU said the process must look at experience and lessons learned from the USD 100b goal and that de-

veloped countries would continue to take the lead. At COP 26, the EU envisages a procedural CMA decision that should give multi-year clarity on the collective goal, leading to a final decision in 2024. It said it did not think Parties could finish work by 2023 and that 'nothing is agreed till everything is agreed'. It did not want to see particular decisions covering some aspects to be decided before looking at the entire package. It called for political guidance at each CMA and proposed formats such as roundtables to be convened for such guidance and workshops to be held in conjunction with the sessions of the Subsidiary Bodies to further technical work. The EU called for getting a draft text from the Co-Chairs as soon as possible.

Switzerland said initiating work on the goal is most important and that Parties need to get it right, especially in relation to making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. It said that deliberations must focus on technical and political components and called for inputs from stakeholders from outside the process to be integrated in the deliberations. It also proposed that deliberations must be set in a manner that nothing is agreed until everything is agreed and was ready to engage on the substance of the goal in three years. It also wanted to move to a draft text by the end of the week and for this to be crafted based on the interventions from the floor.

Australia said that they could not leave Glasgow without clarity on how to frame the discussions on the collective goal. It supported a 'cyclical approach' where the technical track will feed into the and get guidance from the political track. Australia also reiterated that 'nothing is agreed till everything is agreed'.

Japan proposed a cycle of political and technical process and called for the process to not be 'over-engineered' and that the goal must reflect ground realities of decarbonization and achievement of net zero. It also stressed the need to include external stakeholders such as multilateral development banks. Japan said while it understands that the main driv-

ers of the goal were developed countries, other Parties need to be involved as well, since they conduct South-South cooperation.

Canada said now was not the time to get into issues, but to for deliberations to set the task for setting the goal. It called for a process that creates technical and political space, where the political space provides clear direction to the technical space and the outcomes of the technical work could feed into the political process.

The **United States (US)** said that discussions would be central to keeping 1.5°C target within reach and the mandate in Glasgow was to initiate the deliberations. It did not expect any annual decision, nor an

annual agenda item on the issue and that deliberations could happen through workshops, roundtables and dialogues. The US called for deliberations to be transparent and inclusive with space for inputs from private sector and civil society, adding that the process should not be 'overly engineered'. It also said that the idea is to set a process and for substance to follow later.

Following the discussions, **Fakir** proposed that Parties could submit further inputs to the Secretariat by 6 pm on 3 Nov, and that all the views expressed would be taken into consideration as well. The Co-Chairs are expected to present a compilation of inputs before the next deliberation on the matter later this week.