

Co-facilitators of NCQG Work Programme provide input paper for consideration

10 June, Bonn (Indrajit Bose)-The second meeting under the Ad Hoc Work Programme (AHWP) of the New Collective Quantified Goal (NCQG) convened in multiple slots over 5th, 6th and 8th June in Bonn.

In the meeting convened on 5-6 June, Parties responded to a 63-page [input paper](#) prepared by Co-Chairs **Zaheer Fakir (South Africa)** and **Fiona Gilbert (Australia)** and provided suggestions on streamlining it. Following the meetings, co-chairs [updated their input paper](#) and streamlined it into 45 pages. In the meeting convened on 8 June, Parties provided further suggestions on streamlining the input paper.

(At COP 28/CMA 5, Parties decided to transition into a mode of work to enable them to engage in developing the “substantive framework for a draft negotiating text” on the NCQG for consideration by CMA 6 in Nov. later this year. The first meeting under the AHWP was convened in a hybrid format in Cartagena, Colombia on 25-26 April. See related [TWN update](#).)

Divergences between developing and developed countries continue to be pronounced on key political issues that have dominated the NCQG negotiations, most prominent being the push by developed countries on who would contribute to

the goal (expanding the donor base), and who would receive the finance (limiting the recipients of finance).

Developing countries are maintaining that the provision and mobilization of the NCQG is the legal obligation of developed countries under the Paris Agreement (PA) and that all developing countries are eligible to receive climate finance. There has also been a big push by developing countries to establish an ambitious quantum and for developed countries to declare what numbers are they willing to put on the table. Developed countries, however, have not mentioned any numbers.

During discussions, alongside giving Co-Chairs the mandate to streamline the input paper, **Argentina for G77 and China** conveyed that the NCQG is a process under the Convention and its PA. The PA was adopted under the Convention and attempts must not be made to detach them, said Argentina.

It also said the NCQG and its features must be in accordance with Article 9 of the PA and the principles and provisions of the Convention. “This means the goal must be delivered by developed countries to developing countries based on equity and the principle of common

but differentiated responsibilities (CBDR),” said Argentina. The NCQG must be based on the priorities and needs of developing country and support country-driven strategies, with a focus on nationally determined contributions (NDCs) and national adaptation plans (NAPs) and consider needs expressed in adaptation communication and long-term low greenhouse gas emission development strategies along with other national plans, it said. The goal must include loss and damage response alongside mitigation and adaptation, at minimum, to address developing countries’ evolving needs as outlined in paragraph 26 of decision 8/CMA.5 and it should recognize the importance of just transitions that promote sustainable development and eradication of poverty for developing countries, added Argentina.

It also said the full operationalisation of Articles 9(4) and 9(9) of the PA, including in relation to scaled up provision of financial resources, balancing adaptation and mitigation finance, delivering public and grant based resources specially for adaptation and loss and damage, concessionality, centrality of country driven strategies, and the priority and needs of developing countries, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, in particular for Small Island Developing States (SIDS) and Least Developed Countries (LDCs).

On transparency arrangements, Argentina said these must be related to a definition “in the sense that we need to agree on what to count and what not to count as climate finance”. Loans at market rate and private finance flows at market rate of return cannot be termed as climate finance under the NCQG, it said, adding, “rather, they represent a reverse flow from developing to developed countries if we consider the repayments. Under the NCQG, we must agree on the following: climate finance is about flows from developed to developing countries in concessional terms; it cannot include loans at the market rate, and private finance flows at the market rate of return, overseas development assistance (ODAs), and non-climate specific finance flows”.

The NCQG must not impose additional conditionalities to the provision and/or mobilization of climate finance to developing countries. On the contrary, it must provide access features that operationalize the requirement on

access channels to ensure efficient and swift access to, and enhance the coordination and delivery of climate finance for developing countries, said Argentina.

The NCQG must be delivered via the provision of public finance in a grants-based or concessional manner to address macroeconomic constraints of developing countries, including the limited fiscal space, and the elements of the goal should take into consideration the need for support to be a net-economic benefit for developing countries. It must also exclude any feature relating to domestic resources of developing countries, it said.

It also said that NCQG should provide a clear agreement on burden sharing among developed countries to establish their ‘fair share’ of their collective obligation to provide climate finance, which allows predictability, transparency, and accountability. The NCQG must address “dis-enablers” of climate finance such as the high cost of capital, high transaction costs associated with access, unilateral measures such as carbon border adjustment mechanism (CBAM), added Argentina further.

“The Convention and its agreement prescribe CBDR and respective capabilities (CBDR-RC), and we have not agreed to change it, and for sure, this is not the platform to change it. Based on CBDR-RC, countries with different levels of responsibilities and differing national circumstances can have differentiated regulatory and governance systems. Any attempt to equalize the regulatory regimes jeopardizes the existing consensus of the UNFCCC regime. Any calls for changes in the regulatory systems, which are under the jurisdiction of the sovereign governments are uncalled for and should be avoided. We are here to decide the NCQG, which reflects a mandate for the developed countries to deliver support for developing countries in line with Article 9, and we must stick to this mandate,” said Argentina.

During the discussions on 8th June, some Parties called for some paragraphs of the updated input paper to be deleted, while others said they no substantive options should be removed.

Some Parties also expressed the need to delve into substantive discussions. Co-Chair Fakir informed Parties that the discussions planned on 10-11 June would delve into substantive issues and a further

updated version of the input paper would be made available “prior to 10th June”.

The proposed way ahead until the 3rd AHWP meeting would be conveyed to Parties on 11th June.