

Divergences over whether USD 100 billion goal reached in 2023

Dubai, 2 Dec (Indrajit Bose) — Parties outlined their expectations and elements for a draft decision in the first contact group on long-term climate finance (LTF) convened on 1 Dec at the ongoing COP 28 in Dubai.

Differences arose over whether and how to capture progress on the USD 100 billion goal of developed countries. While the developed countries wanted to reflect the latest report by Organisation for Economic Cooperation and Development (OECD) which states the goal appears to have been reached in 2023, developing countries responded that there is no place for conjecture in relation to numbers on climate finance.

Speaking for **G77 and China**, Honduras emphasized that the LTF conversation needs to continue until 2027 and that the work under LTF is critical for accountability and tracking the USD 100 billion goal of developed countries. Honduras expressed grave concern with the continued failure of developed countries to fulfill their commitments and highlighted that the lack of a common definition of climate finance caused further bottlenecks in tracking the goal. It also drew the attention of Parties to the SCF's progress report on USD 100 billion goal, to be released next year and said it is "the" report to follow in terms of tracking the goal rather than relying on

projections by other reports. Honduras also highlighted that climate finance in its existing shape was leading to more debt for developing countries, leading to increased vulnerability.

Egypt for the **Africa Group** said the idea of the LTF is not to just take note of whether developed countries are on track in delivering or not, but to also look at the gaps. It said that the decision must build on the high-level roundtable held in Sharm el-Sheikh, Egypt last year on the issue, and reflect challenges around transparency and methodology of accounting, among others. It also cautioned against reflecting on "trends and expectations" and instead focus on what has been delivered, adding that the decision must feature the issue of debt and how burden sharing was implemented among developed countries in the context of the USD 100 billion goal.

India for the **Like-Minded Developing countries (LMDC)** said in 2022, there was a "belief" that the goal had not been reached and a view proposed that developed countries were "hoping to" reach the goal in 2023. Now a report says the goal is "perhaps reached", it said, adding, "when we talk of a goal, there is no place for conjecture". It is an exercise of looking at hard numbers on whether the goal had been reached or not and the discussion should be fact

based rather than jumping to some conclusion.

India stressed that agreement on a clear operational definition of climate finance would resolve a lot of issues related to transparency. On pledges, it said that there is a need to distinguish between pledges and finance mobilized. "Pledges may be much more. What finally gets mobilized, gets delivered, those aspects are important here," stressed India.

Saudi Arabia for the **Arab Group** stressed that according to all the reports, the USD 100 billion goal had not been fulfilled and that the group did not want to engage in a hypothetical conversation. Referring to some reports it said if some of the numbers being floated were assessed in grant equivalence methodology, the numbers would be much lower than what such reports claimed. Expressing the sorry state of affairs with respect to climate finance, Saudi Arabia expressed alarm that the second replenishment of the Green Climate Fund had resulted in lower amount than the first replenishment. It also stressed the need for finance for all technologies, including carbon abatement technologies and for this to be reflected in the decision.

Samoa for the **Alliance of Small Island States (AOSIS)** expressed surprise at the narrative that seemed to suggest that the mission had been accomplished. It reiterated that the USD 100 billion goal was a far cry from the needs of developing countries and said that the decision must recognize challenges of access, including "bilateral access", which is "not transparent and a huge part of the information", adding that issues around fiscal burden and debt were very important to the group and finance support was putting island states in further debt. "Those who are contributing are profiting off the SIDS. It is not fair on us," it said further.

Colombia for the **Independent Alliance of Latin America and the Caribbean (AILAC)** also expressed concern about the USD 100 billion goal being "largely overdue" and called for the decision to be based on "facts and not estimations or what we hope they could be". It also said that even if the pledges are acknowledged in the decision, there is still huge room for improvement. It said further that they would like to see in the decision elements

of quality of finance and a strong message on improving access to finance. It also expressed concern about the gaps in adaptation finance and called for scaling up adaptation finance to also feature in the decision.

Gambia for the **Least Developed Countries (LDCs)** said the OECD analysis had indicated that the USD 100 billion "might have been met", while other reports estimated that only one-third of the amount had been realized. It also expressed concern in relation to the gap in funding adaptation and highlighted the difficulties in accessing climate finance, especially adaptation finance. Gambia underscored the need for substantial increase for grant-based finance and the importance of prioritizing scalability, the need to establish climate finance definition and to address concerns in relation to the debt burden.

China said the promise of USD 100 billion was made in COP 15, which was fourteen years ago. The commitment remains unmet, and it is three years overdue. It further said that without a clear definition and different methodologies, accountability and transparency are compromised and that the lack of fulfilment raised serious questions about the political will of the developed countries.

Switzerland for the **Environment Integrity Group (EIG)** agreed that there is "de facto no reliable information" on whether developed countries have met the goal in 2023 or not but that in the decision on LTF, it would like to see welcoming of the "trend and information" out there, including the Climate Finance Delivery Plan. It also said the decision could note with concern that the goal was not met in 2021 (the data analysed is from 2021) and that there should be something in the decision in welcoming pledges by countries.

The **European Union (EU)** said it would like the OECD data reflected in the decision along with the pledges made at COP 28. Referring to the OECD report's projections as exceeding future projections, it said that it as "very good news". The EU also said that they were doing their "fair share", which was important to recognize.

The **United States (US)** welcomed the "positive

news” from the OECD report and said that the report was not based on projections, but on “preliminary backward looking data” and therefore worth looking at. It also said that mobilization of finance had exceeded projections, which need to be welcomed in the decision.

Following discussions, the Co-Chairs of the contact group informed Parties that they would prepare a draft text and make it available for the consideration of the Parties.