

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**The New Collective Quantified Goal**

# Qualitative elements of the NCQG

# Why care about quality?

## ➤ Lessons from the \$100 billion

- Quantum – *not enough, no fair sharing, no safeguards to get resources to where it is needed most*
- Modalities – *primarily debt-creating, fragmented landscape of providers, high transaction costs for access*
- Accountability – *opaque tracking, diverse interpretations on definitions*



 **Numerical targets are meaningless  
without a robust framework for quality**



## **Key Questions**

- How is quality enshrined in the final outcome?
- What are the guiding principles that could shape a higher-quality climate finance regime?
- How would those principles be operationalized to make sure they moved beyond high-level statements into concrete elements?





# What do we mean by quality?

1. Helps developing countries to achieve their objectives for all three pillars of climate action
2. Advances sustainable development
3. Upholds the goals of the Paris Agreement including the imperative of a just transition
4. Establishes a virtuous cycle for building trust

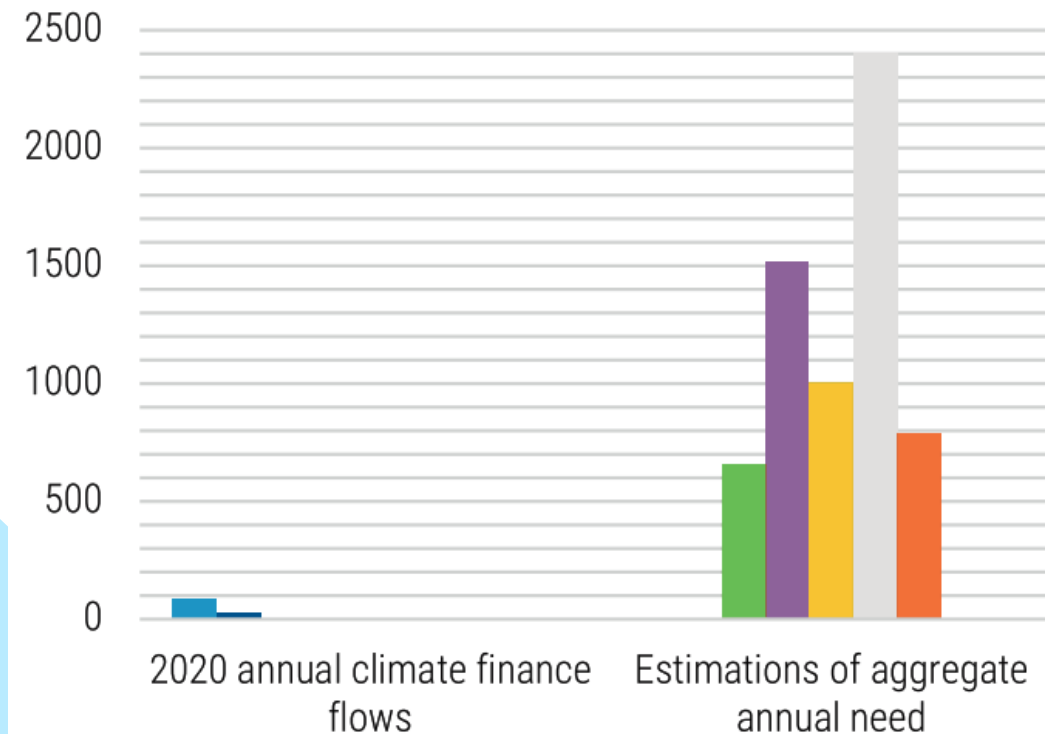


# Guiding Principles for a High-Quality NCQG

- Led by developing countries' needs and priorities
- Effort-sharing approach based on CBDR-RC
- Expanding fiscal space
- Effective in advancing the Paris Agreement and Sustainable Development Goals
- Responsive to changing needs
- Transparently tracked
- Enhancing access
- Pro-development environment in global economic governance

# 1. Led by developing countries needs and priorities

- Evidence-based target
- Distinct goals for mitigation, adaptation and loss and damage
- Enhanced support for needs-reporting







## 2. Effort-Sharing approach based on CBDR

- GDP/GNI-based effort-sharing methodologies to determine respective contributions
- Any targets for non-state sources should indicate Parties' responsibilities in this respect

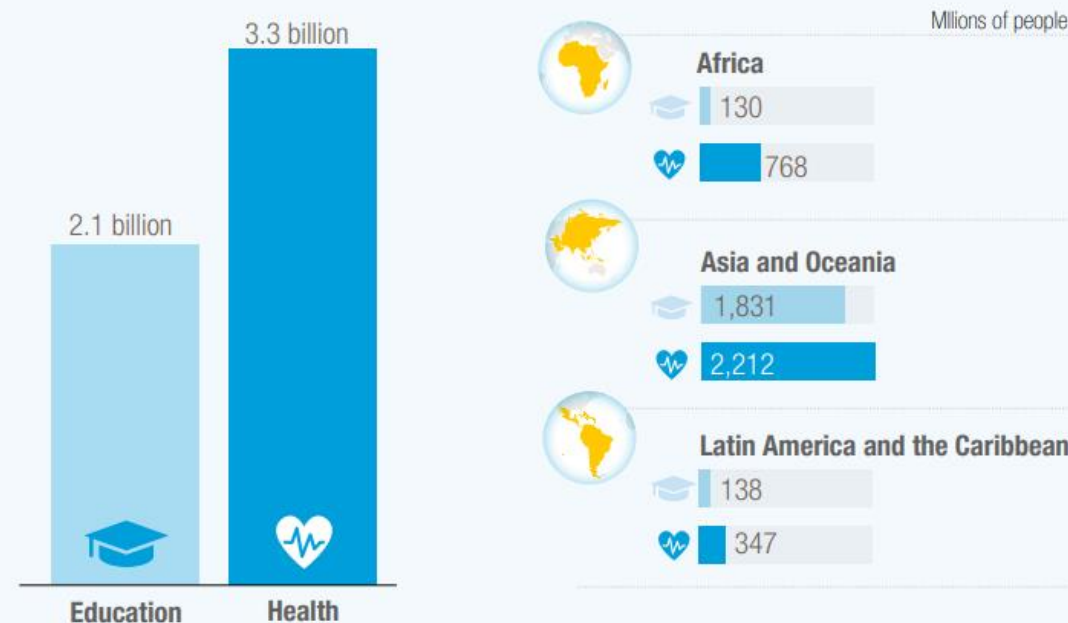


### 3. Expanding fiscal space

- Commitment for a large portion of new climate finance provision to come in the form of grants
- Minimum terms of conditions for debt instruments counting towards climate finance

**3.3 billion people**  
live in countries that spend  
more on interest than education or health

Population in developing countries where spending on interest exceeds education or health (2020-2022)





## 4. Effective in delivering SDGs and PA

Agreed approach to how to count climate finance towards the NCQG that ensures additionality and high climate focus

## **5. Responsive to developing countries' needs**

**Review mechanism every 5 years to allow for goal and structure adjustments according to emerging needs**







## 6. Transparently tracked

- Grant-equivalence assessment
- Rigorous standards
- Framework for reporting climate-related ODA
- Publishing of project documentation

## 7. Enhancing Access

- Harmonised and simplified procedures
- Easing eligibility criteria
- Minimum requirements e.g. for recipients and channels







## 8. Pro-development Environment

Indicate action needed in non-UNFCCC processes to unlock finance and developmental ambition



# Main messages



1. Numerical targets are not enough
2. A framework of principles should guide the NCQG ex-ante, and be used to assess the outcome ex-post
3. Principles need to be translated into concrete elements



# Thank you

