

WOMEN & GENDER CONSTITUENCY

Submission on behalf of the Women and Gender Constituency (WGC) on the Ad Hoc Work Programme (AHWP) on the New Collective Quantified Goal (NCQG) in 2024, specifically the 9th Technical Expert Dialogue (TED9) and the First AHWP Meeting

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We appreciate the opportunity to submit our views on the AHWP for the NCQG, in accordance with the mandate in paragraph 14 of the decision entitled “New collective quantified goal on climate finance” adopted under agenda item 10(e) of CMA 5, specifically the opportunity to share our views on what should be discussed at the ninth technical expert dialogue (TED9) and the first meeting under the ad hoc work programme (first AHWP meeting), and through what format.

On process:

We appreciate efforts during the past two years, to conduct previous technical expert dialogues (TEDs 1-8) in a transparent, inclusive and participatory manner, and would like to see this continue for TED9 and further TEDs in 2024. This means in particular the continuation of the TEDs in a hybrid format allowing for the active input and participation of non-party stakeholders throughout the meetings, including in working groups (with no constituency limit for virtual participation) as interest in the NCQG in 2024 will be increasing. This should be in addition to webcasts. More focus as in previous two years should be on the representation and expert input of lived experiences of climate-change affected and often marginalized communities (including how the current provision of the 100 billion USD goal has fallen short of supporting and reaching them and addressing their needs and priorities). And while a focus on geographical and gender balance in the selection of experts presenting at the remaining TEDs will of course be important (continuing the effort over the past two years), equally important is to bring climate finance resource persons with added gender and human rights expertise into the discussions, including as presenters.

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The TEDs should continue to serve to provide the technical input and expertise to guide the political process conducted in 2024 through the scheduled meetings of the Ad Hoc Working Group which are tasked to develop the substantive framework for a draft negotiating text on the NCQG for consideration by CMA6. For this it is important to bring often neglected perspectives into the crucial technical deliberations in 2024.

Given the substantial contributions by civil society representatives, including from the WGC, during the NCQG technical process so far, including through submissions and expert participation in discussions, the back-to-back meetings of the TED and the AHWP provide a unique opportunity for civil society to make submissions and inputs also in each stage of the political negotiations on the same level as Party submissions and inputs. For this reason, the AHWP meetings should also be conducted in a hybrid format allowing for virtual participation and input by non-party stakeholders, in addition to being transparently webcast.

While the final decision on the NCQG will of course be made by Parties during CMA6, we feel that allowing for the meaningful participation of non-party stakeholders, including from the WGC, will strengthen the rigor and legitimacy of the development of the substantive framework for a draft negotiating text on the NCQG and ensure that such a framework considers the lessons learned from the 100 billion USD goal the NCQG is supposed to supersede after 2025.

On the focus of TED9 and the first AHWP meeting:

The overall aim and focus of TED9 should be to summarize and recapture or reinforce the distinct elements and discussion points articulated in TEDs 1-8 as the starting point for the last year of NCQG deliberations. Specifically as the TEDs in 2023 (TED4-7) served as a thematic deep-dive on specific issues and themes as well as the articulation of sets of options for their integration into the NCQG, namely on temporal scope and structure (TED5), quantum and the provision and mobilization of financial sources (TED6) and the quality and transparency arrangements related to NCQG (TED7), with TED8 reflecting on work done and looking ahead, it will be crucial for **TED9 to highlight and articulate the synergies, linkages, interdependencies and interrelationship of those elements and options.**

Specifically, TED9 will be an important opportunity to ensure that crucial elements pertaining to the qualitative elements of the NCQG, specifically on access, concessionality, gender-responsiveness and human rights framing, as well as transparency and accountability provisions are codified as a set of core principles informing and shaping the NCQG substantive framework and the articulation of the overall goal. This is a matter of equity and climate justice, but also a requirement to ensure that the NCQG is able to support developing countries and affected communities and people in implementing climate actions to reach the goals of the Paris Agreement. For this, an accountability and transparency structure that is capable of reporting on and capturing both quantitative and qualitative NCQG elements is required.

TED9 will thus serve as an important technical space, at the start of the last year of the AHWP, to ensure that all required thematic quantitative and qualitative elements that should constitute the new goal are listed as requirements for the further work, both in the technical and political

spaces throughout the year, and incorporated into the substantive framework for a draft negotiating text to be advanced to CMA6 for consideration.

The first AHWP meeting should focus on developing agreed working modalities and ideally agree on all necessary elements to be included in a draft structure for the negotiating text.

Recapturing core elements for substantive framework and structure of the NCQG

Guiding Principles

Public finance core: At the core of the NCQG, and its substantive center in focus and quantitative and qualitative scale, must be the provision of public climate finance to developing countries and their affected communities and people as new and additional finance beyond official development assistance commitments. Article 9 of the Paris Agreement, specifically explicit mandates under paragraphs 9.1. and 9.3, confirm the requirement for developed countries to provide resources to developing countries “in continuation of their existing obligations under the Convention” (stemming from its Articles 3.1. and 4.3.²) and coming from a “variety of sources, instruments and channels, noting the significant role of public funds.” This does not preclude the financial contributions of other than developed country Parties³, but it makes it clear that such efforts are voluntary. They are neither required nor can they be expected to contribute to the fulfillment of the NCQG. Therefore developed countries must fulfill their climate finance obligations and mobilize public finance by ending fossil fuel subsidies and reallocating military spending to climate change mitigation, adaptation, loss and damage and financing a just transition.

Equity, climate justice and human rights: To apply lessons learned from the 100 billion USD goal, the scale, scope and structure of the NCQG must provide significant improvement over existing collective efforts by developed countries to provide climate finance to developing countries in both quantitative and qualitative terms as a matter of climate justice. They must be guided by a set of strong normative principles and criteria⁴ relevant for the mobilization and provision of climate finance from developed to developing countries that speak to its adequacy and precautionary nature, predictability, additionality as well as equity, both among Parties, as articulated in the principle of Common but differentiated responsibilities and respective capabilities (CBDR-RC) under the Convention, but also as equity within countries. They must also be consistent with existing human rights commitments and obligations that Parties have collectively committed to uphold when taken climate action as stipulated in the preamble of the Paris Agreement, such as “the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations

² The Convention has laid out that the Parties need to take climate actions, including on finance, on “the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities” (Art.3.1) and articulated the requirement for “adequacy and predictability in the flow of funds and the importance of appropriate burden sharing among the developed country Parties” (Art.4.3).

³ For example, several developing country Parties have contributed resources to the Green Climate Fund (GCF) voluntarily; the new Loss and Damage Fund (LDF) has also received a voluntary contribution by the UAE.

⁴ See for example Schalatek, L. and Bird, N. (2023) The Principles and Criteria of Public Climate Finance. Washington, DC/USA: Heinrich Böll Stiftung Washington, DC and ODI, Climate Finance Fundamentals (CFF) 1. <https://us.boell.org/en/2024/03/26/climate-finance-fundamentals-1-principles-and-criteria-public-climate-finance-normative>

and the right to development, as well as gender equality, empowerment of women and intergenerational equity” and with the support for a just transition with “creation of decent work and quality jobs.”⁵

Structure of the Goal

Three thematic subgoals: The Paris Agreement recognizes mitigation, adaptation and loss and damage with respective articles as thematic areas for climate action. Although its Article 9 does not refer to finance for addressing loss and damage, we are already in the age of loss and damage, with devastating and growing impacts on countries and communities. Providing international funding support for addressing loss and damage is a matter of climate justice and climate reparations, including for developed countries’ own delayed climate action on mitigation (failure to avert loss and damage), inadequate finance provision for adaptation (failure to minimize loss and damage) which has led to unavoidable impacts for those countries and communities that have contributed the least to climate change. The NCQG must include additional provision for loss and damage finance as the third financing pillar on equal terms with considerations for mitigation and adaptation finance, including in discourses about balanced provision and the quality of finance mobilized and provided, and informed by scientific and technical assessments of developing country needs.

Quantum

Needs- and science-based scale: In contrast to the politically set 100 billion USD annual goal by 2020, the NCQG with public finance provision at its core must be based on equity and scientific assessments of required investments (Article 14.1 Paris Agreement) and technical assessments of developing countries needs and priorities (Article 9, paras. 3 and 4). Scientific and technical assessments of required financing are not static but dynamic, and thus need to be periodically revisited and adjusted – for example in the context of ratcheting up efforts to increase collective ambition in successive rounds of upgraded nationally determined contributions (NDC). In setting the scale, the needs of developing countries as aggregated in the second Needs Determination Report (NDR) to be released in advance of COP29 must be considered.

Climate finance definition: A prerequisite to differentiate core public finance provision under the NCQG from wider financial flows (such as efforts under Art.2.1.(c) to make all financial flows aligned with the goals of the Paris Agreement) is further progress toward a common and multilaterally agreed definition of what is counted as climate finance under that goal. In the ongoing climate finance commitment period until 2025 for the USD 100 billion goal, the lack of such a common definition of what is counted as climate finance has undermined monitoring, reporting and verification (MRV) and assessments of comparability, adequacy, additionality and predictability of developed countries’ climate finance promised and delivered. Thus, improving the current operational definition of climate finance identified by the Standing Committee on Finance (SCF) in its biennial assessment (BA) reports (with the 6th BA as well as a report on

⁵ UNFCCC (2015) Paris Agreement. Bonn, Germany: UNFCCC.
https://unfccc.int/sites/default/files/english_paris_agreement.pdf

approaches to climate finance definitions to be delivered at COP29) must be tackled concurrently to and incorporated into this year's process to set the NCQG.⁶

Qualitative Elements

Gender-responsiveness: Integrating qualitative aspects into the setting of a NCQG is paramount. These need to pay particular attention to consider the human rights aspects of finance provision under that goal as well as its gender-responsiveness and the accountability for whether mobilized finance under that goal is disbursed and implemented in support of those rights, including through ensuring the accessibility of climate finance and the participation of affected local communities and marginalized population groups, including Indigenous Peoples, people with disabilities or women in all their diversity and non-binary people, in climate finance decision-making, such as via devolved and enhanced direct access approaches. While the gender consideration of climate finance provided by developed countries to developing countries has improved (reflecting a growing codification and elaboration of gender mandates in the UNFCCC and many dedicated climate funds since over the past decades)⁷, there is so far little accountability for aggregate gender equality results achieved, including a lack of collective aggregate accounting for how much climate finance is provided in support of climate and gender equality outcomes. Significant efforts are needed to further improve the quality, scope and accuracy of MRV of gender equality outcomes of funded climate actions.

Accessibility and subsidiarity: Increasing and facilitating accessibility to climate finance must be a significant qualitative element incorporated into the NCQG. The need to simplify access (for proven, low-risk approaches and activities, especially of smaller finance amounts); and to increase direct access, including enhancing direct access for devolving climate finance decisions to sub-national and local levels for locally-led climate actions must be the qualitative corollary to increasing the scale of public finance delivered. According to some estimates, just a miniscule percentage of climate finance provided (around 10% of finance channeled through multilateral climate funds⁸[2]) reaches affected local communities and population groups made climate-vulnerable through marginalization; even less is directly accessible to them. The principle of subsidiarity must ensure climate finance is provided on the most local level feasible and in financing tranches at a scale and of a quality (such as small grant mechanisms) that increases the participation and climate finance decision making of local civil society, including women and diverse gender groups as well as other marginalized groups. A qualitative mandate under the NCQG to increase direct, simplified and local access to climate finance also means that a larger share of the overall public climate finance at the core of the NCQG must be channeled through mechanisms and funds that prioritize and further expand such access.

⁶ As the SCF 5th BA highlights, methodologies to track, estimate and report climate finance vary widely in terms of what is counted depending on the purpose and scope of the tracking exercise, with differences on a number of key variables, including geographic scope, recipients, objectives, causality, financial instruments, point of measurement, gross/net flows, amount or cost of finance, to name some, but not all of these variables.

⁷ Schalatek, Liane (2023). Gender and Climate Finance. Climate Finance Fundamental 10. Washington, DC: Heinrich Böll Stiftung Washington, DC and ODI. <https://us.boell.org/en/2024/03/26/climate-finance-fundamentals-10-gender-and-climate-finance>

⁸ See for example research by IIED, available at: <https://www.iied.org/climate-finance-not-reaching-local-level>, including <https://pubs.iied.org/10178iied>. While there have been individual case studies, it is almost impossible to access the level of climate financing reaching the local level, as this information is not adequately tagged and tracked.

Concessionality: Accounting for climate finance provided by developed countries to developing countries under the current commitment period up to 2025 has been in nominal terms, not in grant-equivalent terms, thus significantly overstating the value of climate finance provision.⁹ According to the OECD, more than 70% a large proportion of public climate finance is provided in the form of non-grant financial instruments,¹⁰ including also for adaptation, with the majority of adaptation finance provided through the multilateral development banks (MDBs) also provided as loans.^[113] The increased use of loan instruments for climate action is thus adding substantially to increasing the indebtedness of many developing countries, and a matter of climate injustice. The provision of climate finance as repayable loans for public sector actions for adaptation and to address loss and damage contradicts the polluter-pays principle at the heart of the UNFCCC' CBDR-RC. Any discussion of the quantum of the NCQG must focus on scaling up the public provision of new and additional, grant-based, highly concessional finance and non-debt creating instruments, including for recommended thematic sub-goals. Such sub-goals must specify public grant finance provision, including allowing for and prioritizing full-cost grant provision¹², for adaptation and for addressing loss and damage and in support of countries and communities particularly vulnerable to the adverse effects of climate change..

Timeframe

Link revision and ambition: The timeframe for the NCQG, including its regular review and (upward) revision, must follow the approach in the Paris Agreement for increasing ambition via the NDC process and the Global Stocktake. The Paris Agreement in Article 9.6 and Article 14.1 clearly establishes the link between finance provision and the Global Stocktake. This would allow taking into account the dynamic nature of the climate emergency and emerging scientific knowledge (such as from the IPCC) and methodological improvement and learning.

About the Women and Gender Constituency:

The Women and Gender Constituency (WGC) is one of the nine stakeholder constituencies of the United Nations Framework Convention on Climate Change (UNFCCC). Established in 2009, the WGC now consists of 44 members (women's and environmental civil society organizations accredited to the UNFCCC framework), and an advocacy listserv with more than 600 advocates. The Constituency works to ensure that human rights and gender equality are firmly anchored in all climate actions under the UNFCCC and to challenge the extractive, exploitative and patriarchal economic model which has resulted in the climate crisis.

⁹ Oxfam Climate Finance Shadow Report 2023.

<https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621500/bp-climate-finance-shadow-report-050623-en.pdf?sequence=19>

¹⁰ According to the OECD, of USD 73.1 billion provided in public climate finance in 2021, only 20.1 billion (or 27.6%) is provided as grants.OECD (2023). Climate Finance Provided and Mobilised by Developed Countries 2013-2021.

<https://www.oecd-ilibrary.org/docserver/e20d2bc7-en.pdf?expires=1711416925&id=id&accname=quest&checksum=C5E032B57A0A98BB7E798BA6E350D4B7>

¹¹ According to data provided by the SCF 5th BA Report (figure 30, only 15% of adaptation finance provided by MDBs and attributable to developed countries was in the form of grants.

https://unfccc.int/sites/default/files/resource/J0156_UNFCCC%20BA5_2022_Report_v4%5B52%5D.pdf.

¹² To address the urgent adaptation and loss and damage needs of the most vulnerable, incremental cost approaches, including in grant financing, place unnecessary co-financing burden on developing countries. Thus, full cost adaptation grant provision, such as is provided by the Adaptation Fund, should be prioritized.