

WEBINAR: Making climate finance work **for all**

Little time left to agree an ambitious NCQG

September 2024

2024 is a critical year for international climate finance. At COP29, countries are due to agree a new collective quantified goal on climate finance (NCQG). The adoption of an ambitious NCQG is the first opportunity in fifteen years to redefine international climate finance mechanisms and learn the lessons from the \$100 billion goal.

This webinar came at a crucial time as global leaders have limited time left to negotiate, consider options and make informed decisions to ensure they reach an ambitious goal that meets the evolving needs of developing countries.



*The village of Simonet in Pekalongan, Indonesia, now permanently inundated by flooding.
Photo: Sapta Hudaya/Mercy Corps*






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Summary

The session brought together thought leaders and climate finance negotiators to discuss how best to shape the negotiations going forward and achieve an NCQG that is fit for purpose. Here are some of the main highlights from the event:

Debbie Hillier, Head of the Zurich Climate Resilience Alliance for Mercy Corps, moderated the session and highlighted the findings from the Alliance's latest report, [Making climate finance work for all: Five tests for a robust New Collective Quantified Goal \(NCQG\)](#). Building on the lessons learned from the \$100 billion goal, the paper finds that to be a success, the NCQG should:

-  Adopt a 'fair share' approach
-  Be ambitious and based on developing countries' needs
-  Prioritize grant-based public finance
-  Contain new and additional finance and result from a better use of public resources
-  Be supportive of gender equality and human rights

Dr Christopher Bartlett, National Loss and Damage Contact Point, Republic of Vanuatu, provided the opening remarks and underlined that the significant economic and non-economic loss and damage are dwarfing the economic capabilities of Vanuatu, further crippling national development. To have an NCQG reflecting developing countries' needs, the goal should be **adequate**. This means:

- A quantum composed of grants in the trillions of USD annually, counted in grant equivalence.
- A balance between adaptation, mitigation, loss and damage, readiness (including capacity building and technology transfer) and transparency obligations.
- Recognizing the dynamism of the gaps by maintaining the relevancy of the goal until 2035 through a mid-term review.
- A burden sharing mechanism to provide clarity on who should pay and how much.
- Transparency and clarity over what counts as climate finance, recognizing that any transaction contributing to the expansion of the fossil fuel industry should not qualify as climate finance.
- Ensuring that all developing countries are eligible to receive climate finance, particularly LDCs and SIDS.
- Grants, not loans.



Dr Laetitia Pettinotti, Research fellow at ODI, shared the findings from ODI & the Alliance's latest report, [A fair share of climate finance? The collective aspects of the New Collective Quantified Goal](#). The paper has been written to strengthen accountability in climate finance and finds that:

- Developed countries met and exceeded the \$100 billion goal for the first time in 2022, according to the OECD.
- Over half of developed countries provided their fair share of climate finance. However, there were still big shortfalls by others, most notably the USA.
- To redress this problem going forward, the NCQG should include a burden sharing mechanism, as called for by many developing countries, to apportion responsibility and improve the predictability of flows.
- The NCQG should recognize that developing countries already voluntarily provide substantial volumes of climate finance, although they seldom report it. In 2022, China stood out as the biggest multilateral climate finance provider among non-developed countries.
- Some countries with high incomes and emissions per person, like Qatar, Kuwait, the UAE and South Korea, should assess their own national circumstances and consider formally assuming responsibility for providing and reporting international climate finance to developing countries.

“Climate finance truly is a lifeline for SIDS like Vanuatu, particularly as climate impacts are worsening daily. In recent years, responding to climate disasters has costed more than 50% of our GDP from what seems to us like a never-ending stream of category five cyclones, prolonged droughts, and out of season rainfall events, all occurring over the slow and insidious increase in sea level rise and ocean acidification. These are causing unbelievable economic and non-economic losses and damages that are well beyond our adaptation limits, and dwarfing national and household budget capacities to respond.”

- Dr Christopher Bartlett

Isobel Bartholomew, UK climate finance negotiator shared her views on the progress to be made until COP29 and the role of the UK in shaping an ambitious outcome. She notably pointed out that:

- The NCQG should respond to the calls for increased adaptation finance and recognize the importance of the quality of finance provided in addressing the needs of developing countries.
- Climate finance should address gender equality, as shown by the focus of the Standing Committee on Finance forum this year.
- With little time left until COP29, developed and developing countries must work together to find meaningful landing zones, supported by a strong COP29 presidency.
- Issues such as the quantum, the structure of the goal and the contributor base are priority issues and will be potentially challenging to agree on, requiring political decision-making.

- To move from the billions to the trillions, different types and sources of finance are needed while also recognizing the central role of public finance.

Questions & Answers

After the presentations, the Q&A explored further the role of public vs private finance and the importance of avoiding increasing debt; how adaptation funding to fragile and conflict-affected countries remains far too low; how despite their differences, fair share methodologies all point to the vast majority of climate finance being shouldered by developed countries; the importance of a clear definition of climate finance, as well as the need for climate finance to be new and additional to official development aid (ODA); and finally, how the enhanced transparency framework will improve accountability and transparency in different areas.

Thank you to all the panellists for their insightful presentations, and for sharing their important perspectives at this critical time.

The NCQG is an unmissable opportunity to radically advance equity through climate finance. As COP29 approaches, progress must be made during the remaining negotiations. This is essential not only to support the women, men and children affected by climate-induced disasters, but also for restoring trust in global climate efforts.

The NCQG is not just a number. It is about delivering climate justice for millions of people around the world.

Find out more

Watch the [recording of the webinar](#)

Read the report, [Making climate finance work for all: Five tests for a robust New Collective Quantified Goal \(NCQG\) - Zurich Climate Resilience Alliance](#)

Read the report, [A fair share of climate finance? The collective aspects of the New Collective Quantified Goal - ODI/Zurich Climate Resilience Alliance](#)

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The **Zurich Climate Resilience Alliance** is a multi-sectoral partnership, powered by the Zurich Foundation, focused on enhancing resilience to climate hazards in both rural and urban communities. By implementing solutions, promoting good practice, influencing policy and facilitating systemic change, we aim to ensure that all communities facing climate hazards are able to thrive. Find out more: www.ZCRAlliance.org

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