



## NEW COLLECTIVE QUANTIFIED GOAL (NCQG) - ENVIRONMENT

**NEWS:** The New Collective Quantified Goal (NCQG) on climate finance will be a primary focus of COP29, to be held in Baku, Azerbaijan, from November 11-22, 2024.

- **Mandate of NCQG:** Aimed at addressing the needs of developing countries per Article 9 of the Paris Agreement, NCQG will shape future climate finance commitments.

### WHAT'S IN THE NEWS?

#### Unresolved Issues in NCQG Negotiations

- **Diverse National Interests:** Countries have conflicting views on NCQG's scope, contribution scale, timelines, and sources.
- **Developing Countries' Stance:** Advocate for clear, quantitative targets with public finance and grants, emphasizing equitable responsibility and predictable timelines (5 or 10 years).
- **Developed Countries' Stance:** Prefer a broader contributor base with flexible finance structures and outcome-driven strategies focused on emissions and climate resilience.

#### Historical Distrust Due to Missed Commitments

- **\$100 Billion Target Shortfalls:** The \$100 billion annual pledge (set in 2009, met only in 2022) undermined trust as delays impacted developing countries.
- **Insufficiency of the \$100 Billion Goal:** According to the Standing Committee on Finance, trillions are needed for climate action; estimated needs range between \$5.036 trillion and \$6.876 trillion.

#### Issues with Current Climate Finance Structure

- **Imbalance in Funding:** Climate finance relies heavily on loans rather than grants, worsening the debt burden for vulnerable countries.
- **Adaptation Finance Gaps:** While mitigation projects attract private investment, adaptation efforts (e.g., infrastructure resilience) remain severely underfunded.
- **Access Barriers:** Complex access procedures for funds like the Green Climate Fund create hurdles for developing countries needing adaptation support.

#### Debate on Expanding the Contributor Base

- **Developed Countries' Proposal:** Countries like Switzerland and Canada advocate expanding contributors to include nations with higher emissions and income (e.g., China, Gulf countries).
- **Developing Countries' Concerns:** Oppose this expansion, viewing it as an attempt to sidestep principles of equity and common but differentiated responsibilities.



## Shift in Developed Countries' Narrative

- **Focus on Low-Emission, Resilient Development:** Developed countries propose a focus on low-emission, climate-resilient growth, potentially diluting their specific responsibilities under the Paris Agreement.



- **Legal and Ethical Implications:** This narrative shift risks violating the Paris Agreement's Article 9, undermining the principle that countries should uphold treaties in good faith (*pacta sunt servanda*).

## Challenges in Current Climate Finance Definitions

- **Lack of Clarity on "Additionality":** The absence of a clear definition for additionality in climate finance creates ambiguity about whether funds are new and incremental.
- **Investment vs. Finance:** Including private investments as part of NCQG could dilute accountability and the public focus needed to address adaptation priorities.

## Need for Technology and Capacity Building

- **Broader Needs Beyond Finance:** Developing countries require not just funding but also technology transfer and capacity-building assistance.
- **Barriers to Multilateral Support:** Procedural obstacles in multilateral mechanisms often prioritize 'value-for-money' over 'need-for-money,' limiting access to critical resources.



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## Critical Outcomes for COP29 and NCQG

- **Trust in Multilateralism at Stake:** The NCQG's success depends on restoring trust between developed and developing nations and upholding historical accountability.
- **Pivotal Question for Baku:** As COP29 approaches, the primary concern is whether climate finance commitments will yield genuine support or just empty promises for developing countries facing the climate crisis.

**Source:** <https://www.thehindu.com/opinion/lead/all-eyes-on-baku-and-the-climate-finance-goal/article68842032.ece>

