Presidency text

CMA 6 agenda item 11(a)
New collective quantified goal on climate finance

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The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling Article 9 of the Paris Agreement,

Also recalling Article 2, paragraph 1, of the Paris Agreement which sets out the goals of the Paris Agreement, and Article 2, paragraph 2, of the Paris Agreement which provides that the Agreement will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances,

Further recalling decision 1/CP.21, paragraph 53,

Recalling decisions 14/CMA.1, 9/CMA.3, 5/CMA.4 and 8/CMA.5,

1. *Affirms* that the new collective quantified goal on climate finance is aimed at contributing to accelerating the achievement of Article 2 of the Paris Agreement of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change; increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emission development in a manner that does not threaten food production; and making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development;

2. *Reaffirms* the outcomes of the first global stocktake and *stresses* the urgency of enhancing ambition and action in this critical decade to address the gaps in the implementation of the goals of the Paris Agreement;

3. *Highlights* that costed needs reported in nationally determined contributions of developing country Parties are estimated at USD 5.1–6.8 trillion for up until 2030 or USD 455–584 billion per year and adaptation finance needs are estimated at USD 215–387 billion annually for up until 2030[1] and *notes with concern* the gap between climate finance flows and needs, particularly for adaptation in developing country Parties;[2]

4. *Notes* the findings of the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, including the urgency of climate action; that finance, technology and international cooperation are critical enablers for accelerated climate action; that if climate goals are to be achieved, both adaptation and mitigation financing would need to be increased manyfold; and that there is sufficient global capital to close the global investment gap but there are barriers to redirecting capital to climate action, and that governments, through public funding and clear signals to investors, are key in reducing these barriers;

5. *Decides* that the new collective quantified goal on climate finance will support the implementation of developing country Parties', inter alia, nationally determined contributions, national adaptation plans and adaptation communications, including those submitted as adaptation components of nationally determined contributions; contribute to increasing and accelerating ambition; and reflect the evolving needs and priorities of developing country Parties, especially the special circumstances of those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States;

6. *Reiterates* the importance of reforming the multilateral financial architecture[3] and *underscores* the need to remove barriers and address disenablers faced by developing

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[1] See FCCC/CP/2024/6/Add.2−FCCC/PA/CMA/2024/8/Add.2 and noting paragraphs 9 and 10 of decision X/CP.29.

[2] Standing Committee on Finance. 2024. *Sixth Biennial Assessment and Overview of Climate Finance Flows*. Bonn: UNFCCC. Available at https://unfccc.int/topics/climate-finance/resources/biennial-assessment-and-overview-of-climate-finance-flows.

[3] Decision 1/CMA.5, paragraph 95.

country Parties in financing climate action, including high costs of capital, limited fiscal space, unsustainable debt levels, high transaction costs and conditionalities for accessing climate finance;

7. *Calls* on all actors to work together to enable the scaling up of financing to developing country Parties for climate action from all public and private sources to at least USD 1.3 trillion per year by 2035;

8. *In this context, reaffirms* Article 9 and *decides* to set a goal in extension of the goal referred to in paragraph 53 of decision 1/CP.21, with developed country Parties taking the lead, to USD 250 billion per year by 2035 for developing country Parties for climate action:

(a) From a wide variety of sources, public and private, bilateral and multilateral, including alternative sources;

(b) In the context of meaningful and ambitious mitigation and adaptation action, and transparency in implementation; and

(c) Recognizing the voluntary intention of Parties to count all outflows from and finance mobilized by multilateral development banks towards achievement of the goal set forth in this paragraph;[4]

9. *Encourages* developing country Parties to make contributions, including through South–South cooperation, on a voluntary basis;

10. *Affirms* that nothing in paragraphs 8–9 above affects any Party's development or recipient status;

11. *Underscores* the importance of continuing to use bilateral channels to support climate action in developing country Parties, taking into account their needs and priorities in line with country-driven strategies and plans;

12. *Encourages* Parties, in carrying out their functions as shareholders of multilateral development banks, to continue advancing efforts to promote an evolution agenda for bigger, better and more effective multilateral development banks in order to address global challenges and poverty eradication and maximize impact in developing country Parties;

13. *Recognizes* that multilateral climate funds, including the operating entities of the Financial Mechanism, the Adaptation Fund, the Least Developed Countries Fund and the Special Climate Change Fund, are key in supporting developing country Parties and *encourages* Parties to work through the governing bodies on which they serve to continue enhancing climate finance, including with respect to coherence, complementarity and access;

14. *Acknowledges* the fiscal constraints and increasing costs to adapt to the adverse effects of climate change and, in this context, *acknowledges* the need for public and grant-based resources and highly concessional finance, particularly for adaptation and responding to loss and damage in developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States;

15. *Underscores* the critical importance of significantly reducing the cost of capital and increasing the mobilization ratio of finance mobilized from public sources by 2030 and creating fiscal space in developing country Parties through the use of innovative instruments, such as first-loss instruments, guarantees, local currency financing and foreign exchange risk instruments, taking into account national circumstances, and *encourages* the exploration, use and scaling up of innovative sources and instruments of finance, as appropriate;

16. *Decides* that a significant amount of public resources should be provided through the operating entities of the Financial Mechanism, the Adaptation Fund, the Least Developed Countries Fund, the Special Climate Change Fund and other relevant mechanisms in an equitable distribution in all geographical regions;

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[4] This does not prejudice any decision under any governing body of any multilateral development bank, noting that each bank operates within its own mandate and governance structure and the intention reflected in this paragraph relates to the Paris Agreement.

17. *Affirms* that the provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation, taking into account country-driven strategies, and the needs and priorities of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States;

18. *Recognizes* the need to dramatically scale up adaptation finance, including taking into account the global goal on adaptation and the targets referred to in paragraphs 9–10 of decision 2/CMA.5;

19. *Acknowledges* the significant gaps that remain in responding to the increased scale and frequency of loss and damage, and the associated economic and non-economic losses, and *recognizes* the need for urgent and enhanced action and support for averting, minimizing and addressing loss and damage associated with climate change impacts;

20. *Also recognizes* the importance of continued efforts to support just transitions across all sectors and thematic areas, and cross-cutting efforts, including transparency, readiness, capacity-building and technology development and transfer, in developing country Parties;

21. *Underscores* the importance of reducing existing constraints, challenges, systemic inequities and barriers to access to climate finance, such as high cost of capital, co-financing requirements and burdensome application processes, *welcomes* ongoing efforts to improve access to climate finance and *urges* all climate finance actors to strengthen their efforts to enhance efficient and effective access to bilateral, regional and multilateral climate finance for developing countries, especially those that are particularly vulnerable to the adverse effects of climate change, in particular for the least developed countries and small island developing States, in line with country-driven strategies and plans, to eliminate conditionalities for access, as appropriate, and to enhance transparency regarding efforts undertaken in this regard;

22. *Also urges* Parties that provide bilateral climate finance to apply access enhancements, as appropriate and where relevant, including, in particular, by:

(a) Increasing, as appropriate, support for locally led approaches and institutions, in particular for adaptation measures;

(b) Enhancing demand-led capacity-building, technical assistance and readiness programmes;

(c) Expanding multi-year, country-led programmatic approaches;

(d) Considering expansion of existing projects, rather than establishing smaller new projects, as appropriate to the context and in a country-driven manner;

(e) Streamlining reporting requirements where possible and consistently with respective mandates;

23. *Invites* international financial institutions, including multilateral development banks as appropriate, to continue to align their operational models, channels and instruments to be fit for purpose to urgently address global climate change, development and poverty, in accordance with y with their mandates and in line with the direction of their governing bodies, including by:

(a) Deploying a range of instruments, in particular non-debt-inducing instruments;

(b) Considering shifting their risk appetites in the context of climate finance;

(c) Continuing to contribute to scaling up climate ambition and finance, including by simplifying access;

(d) Continuing to enhance the effectiveness of climate finance provided and mobilized;

(e) Considering scaling up highly concessional finance for developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States;

24. *Calls on* multilateral climate funds, including the operating entities of the Financial Mechanism, the Adaptation Fund, the Least Developed Countries Fund and the

Special Climate Change Fund, to strengthen their efforts to enhance access to and promote effectiveness, including by, as appropriate:

(a) Scaling up and prioritizing direct access;

(b) Simplifying and harmonizing application pre-approval and post-approval requirements and disbursement processes;

(c) Establishing flexible information requirements

(d) Promoting programmatic approaches;

(e) Streamlining reporting requirements;

Other

25. *Also calls on* Parties to enhance their enabling environments, in a nationally determined manner, with a view to increasing climate financing;

26. *Urges* Parties and other relevant actors to promote the inclusion and extension of benefits to vulnerable communities and groups in climate finance efforts, including women and girls, children, persons with disabilities, Indigenous Peoples, local communities, migrants and refugees, climate-vulnerable communities and people in vulnerable situations;

27. *Recalls* Article 9, paragraph 7, of the Paris Agreement, which states that developed country Parties shall provide transparent and consistent information on support for developing country Parties provided and mobilized through public interventions biennially in accordance with the modalities, procedures and guidelines adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its first session,[5] and that other Parties are encouraged to do so;

28. *Also recalls* paragraph 118 of the annex to decision 18/CMA.1, which states that developed country Parties shall provide information pursuant to Article 13, paragraph 9, of the Paris Agreement in accordance with the modalities, procedures and guidelines contained in chapter V of the annex to that decision and that other Parties that provide support should provide such information and in doing so are encouraged to use those modalities, procedures and guidelines;

29. *Requests* the Standing Committee on Finance to prepare a report biennially, commencing in 2028, on collective progress towards all elements of this decision, on the basis of all relevant and available sources of information, for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

30. *Invites* for the information on financial support provided and mobilized in 2025 and 2026 through the common tabular formats referred to in chapter V of the annex to decision 18/CMA.1 for the electronic reporting of the information to be submitted by 30 June 2028 and respective subsequent information on a biennial basis thereafter in order to provide a full overview of aggregate financial support provided and to inform the global stocktake under Article 14 of the Paris Agreement;

31. *Requests* the Standing Committee on Finance to consider in its assessment of progress for the report referred to in paragraph 29 above information from all relevant and available data sources, such as information provided in biennial transparency reports and reporting based on project-level data from e.g. multilateral development banks, multilateral climate funds and other international financial institutions;

32. *Recognizes* the importance of transparency in measuring progress in access enhancements, and the impacts, results and outcomes of climate finance flows for addressing the needs and priorities of developing country Parties and *requests* the Standing Committee of Finance to report on progress in these areas as part of the report referred to in paragraph 32 above;

33. *Decides* to periodically take stock of the implementation of this decision as part of the global stocktake and to initiate deliberations on the way forward prior to 2035;

[5] Annex to decision 18/CMA.1