

# Linkages Between the New Collective Quantified Goal and the Global Goal on Adaptation

## Issues and Options

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### A. Summary

1. At the UN Framework Convention on Climate Change (**UNFCCC**) 29<sup>th</sup> Conference of the Parties (**COP29**), Parties not only need to decide the new collective quantified goal (**NCQG**) on climate finance but should also consider how to enhance synergies with other UNFCCC workstreams that will rely on the climate finance to be delivered by this new goal.
2. It is critical that Parties examine the relationship between the NCQG and the global goal on adaptation (**GGA**) to identify adaptation-specific elements that need to be effectively highlighted, such as the reference to the UAE Framework for Global Climate Resilience (the **UAE Framework**) agreed at COP28.
3. Developing countries have called for ‘balanced allocation’ between adaptation and mitigation finance for years. However, adaptation finance has not reached parity with mitigation finance.
4. Some Parties have presented options for inclusion of an adaptation-specific thematic subgoal in the NCQG, but these lack broad support. Nevertheless, the prioritization of adaptation finance should remain a key element of the new climate finance goal.

### Questions for consideration

- How can the NCQG facilitate a better prioritization of adaptation finance?
- Would strengthened references to the GGA and/or the UAE Framework in the NCQG outcome be helpful? Is relying on prior language around balance sufficient?

### Issues and Options

#### *Issues*

- The existing language promoting NCQG-GGA linkage, which encourages Parties to consider GGA outcomes in the NCQG decision, does not provide sufficient direction to Parties. References to the GGA and UAE Framework in the latest NCQG text are yet to be fully agreed.
- The indicators for measuring progress toward achieving the targets under the UAE Framework will not be adopted until COP30 at the earliest, leaving room for the misalignment of expectations for means of implementation for adaptation at COP29.
- Despite the stated goal to double adaptation finance by 2025, the gap between adaptation needs and finance provided continues to widen.
- There is growing concern that funding for loss and damage (**L&D**) could divert resources from adaptation or even reduce the total amount of funding available for both adaptation and L&D.

#### *Options*

- The NCQG decision could directly reference the GGA and UAE Framework.
- Parties could incorporate GGA and/or the UAE Framework language clarifying its relevance to the NCQG in the COP29 cover decision.
- The structural framing of the NCQG could integrate references to the UAE Framework, particularly prioritizing public finance for adaptation.
- Parties could reference the targets of the UAE Framework within the NCQG outcome.
- UAE Framework targets, particularly those relevant to the iterative adaptation cycle and policy targets, could be cited with more specificity.
- Parties could encourage the operating entities of the Financial Mechanism and the Adaptation Fund to further support the UAE Framework, including its targets and forthcoming indicators.
- The Standing Committee on Finance could be invited to estimate the cost of implementing the UAE Framework targets.
- Parties could be encouraged to consider the UAE Framework while reporting on adaptation finance priorities and needs within their biennial transparency reports.
- The NCQG decision could emphasize the need for finance in support of transformational adaptation.
- The NCQG could highlight the need for support of locally led adaptation initiatives and the inclusion of Indigenous Peoples and local communities.

## B. Context

5. Adaptation finance needs are growing. The 2023 UN Environment Programme's *Adaptation Gap Report* assesses the cost of adaptation needs in developing countries at U.S. \$215 billion annually this decade. At the same time, the report measured adaptation finance flows from developed to developing countries in 2021 at only U.S. \$21 billion.<sup>1</sup>
6. The NCQG needs to deliver for adaptation, not just mitigation. Much like the U.S. \$100 billion goal set in 2009, the NCQG to be adopted at COP29 will likely set the tone and ambition for climate finance within the UNFCCC negotiations for years to come. It is critical to elevate the need for adaptation finance and effectively link the NCQG and adaptation-related UNFCCC workstreams to increase finance available for climate resilience throughout developing countries.
7. The 5<sup>th</sup> Conference of the Parties to the Paris Agreement (**CMA5**) decision establishing the UAE Framework states that it "[s]eeks to close the adaptation finance gap and encourages Parties to consider the outcomes of the global stocktake and the UAE Framework for Global Climate Resilience in their deliberations on the new collective quantified goal on climate finance in 2024."<sup>2</sup> Linkages between NCQG and adaptation workstreams—primarily the GGA—should be examined and strengthened. Rather than segregating adaptation and finance negotiations, holistic engagement is required to understand how synergies between the NCQG and GGA, as well as development,<sup>3</sup> can drive better adaptation finance outcomes.
8. With an NCQG to be adopted at COP29, expectations are high that the climate finance discussions will effectively address cross-sectoral and thematic challenges across UNFCCC negotiating items. See Annex I for further background on the state of NCQG negotiations.
9. Next year, at CMA7 (November 2025), Parties will agree on indicators to assess the progress toward the targets of the UAE Framework. See Annex II for more information on the state of the GGA negotiations.

## C. Linkages between the GGA and NCQG

### Issues

10. There are several linkage issues between the NCQG and GGA to consider:
  - Existing language in the UAE Consensus provides a connection between finance and adaptation, encouraging Parties to consider the outcomes of the UAE Framework in NCQG deliberations.<sup>4</sup> How can Parties strengthen references to the UAE Framework in the NCQG decision such that they lead to better prioritization of adaptation finance outcomes?
  - Some Parties regard the NCQG as the appropriate workstream for means of implementation for adaptation, including finance. Additionally, since these negotiations are siloed, there is little opportunity for cross-cutting synergies to be addressed between the workstreams.<sup>5</sup>
  - The gap between adaptation finance provided and the adaptation needs of developing countries continues to widen.<sup>6</sup> To close the gap, Parties would need to go beyond the goal of doubling of adaptation finance by 2025.<sup>7</sup> However, Parties have yet to double adaptation finance, and some Parties seem reluctant to adopt stronger language on adaptation finance beyond recognizing the need for "balanced allocation" of adaptation and mitigation finance.

- There is growing concern that funding for L&D could divert resources away from adaptation efforts, or even reduce the amount of total funding available for both adaptation and L&D. To avoid this, some Parties deem it essential to ensure that L&D funding is new and additional to any adaptation financing.

## Options

11. Parties could reinforce ties between the NCQG and adaptation outcomes by:

- agreeing to directly reference the GGA and the UAE Framework within the NCQG text
- incorporating language that supports the implementation of the UAE Framework to the NCQG in the COP29 cover decision
- integrating mention of the GGA and/or UAE Framework in the structural framing of the NCQG (e.g., if an “inner core”<sup>8</sup> is agreed for the finance goal, referencing the GGA as a priority for public finance)
- referencing the UAE Framework’s target timeframe “for 2030, and progressively beyond” within the NCQG decision
- making references to the UAE Framework more granular and contextual (i.e., the UAE Framework’s targets concerning the iterative adaptation cycle<sup>9</sup> could be highlighted as those with the potential to improve adaptation finance flows<sup>10</sup>)
- urging, through the NCQG decision, the operating entities of the Financial Mechanism and the Adaptation Fund to further support the implementation of the UAE Framework and its targets and set financial targets for adaptation expenditure
- inviting the Standing Committee on Finance to estimate the cost of implementing the targets of the UAE Framework
- encouraging Parties to consider the UAE Framework in evaluating adaptation finance priorities and costed needs for inclusion in their biennial transparency reports
- asserting the need for finance that supports transformational adaptation, while not taking away from incremental adaptation
- highlighting the need for direct financing of locally led adaptation and specifically referencing the involvement of Indigenous peoples and local communities, which is shown to improve the impact of adaptation finance.<sup>11</sup>

## Annex I: State of Play – Climate Finance and the NCQG

12. At COP21, Parties decided that, prior to 2025, the CMA would set a NCQG for climate finance. The substantive form of the goal is guided by key mandates:
  - a floor of U.S. \$100 billion per year<sup>12</sup>
13. taking into account the needs and priorities of developing country Parties<sup>13</sup>
  - the aim to strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty, including by making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.<sup>14</sup>
14. Since initiating work on the NCQG at COP26, Parties have participated in eleven technical expert dialogues (*TEDs*), three meetings of the ad hoc work programme to discuss the NCQG, and three high-level ministerial dialogues on finance. This work, consisting of Party positions and technical inputs, has been distilled into the NCQG co-chairs' substantive framework for a draft negotiating text, released October 15, 2024.<sup>15</sup>
15. Expectations are high that Parties will reach a robust NCQG outcome at COP29. With the U.S. \$100 billion goal scheduled to end in 2025, many Parties point to the inadequacy of longstanding language aiming to achieve “a balanced allocation between adaptation and mitigation”<sup>16</sup> to address the growing gap between adaptation needs and provision of adaptation finance.
16. In light of this gap, Parties at COP26 urged “developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025.”<sup>17</sup> The Standing Committee on Finance (*SCF*) assessed the doubling threshold at U.S. \$38.8 billion annually by 2025, and noted a slight increase in adaptation finance in the latest available data.<sup>18</sup> Developed countries are expected to release a report on further progress toward meeting the doubling adaptation finance goal prior to COP29.<sup>19</sup>
17. Within NCQG negotiations, Parties have raised adaptation to varying extents. Prevailing options for adaptation-specific references in the new finance goal include:
  - a quantitative sub-goal for adaptation (e.g., X percent or \$X billion of the goal)
  - qualitative conditions for adaptation finance (e.g., adaptation finance should be composed of majority of grants or highly concessional finance; prioritized for the most vulnerable developing countries; commitment to address barriers to private sector investment in adaptation; mainstreaming adaptation finance in national planning and budgeting; calls to international processes and to Parties to enhance international and domestic enablers and address dis-enablers of adaptation finance)<sup>20</sup>
  - no inclusion of adaptation-specific sub-goals.
18. The NCQG co-chairs' substantive framework for a draft negotiating text, which reflects input sourced from all Parties, includes references to implementation of country-driven strategies “towards the global goal on adaptation [...] in a manner that is complementary to the UAE Framework for Global Climate Resilience.”<sup>21</sup> This option frames the NCQG around outcomes; however, if it is not adopted, there is a possibility that there is no reference to the GGA or UAE Framework in the decision.

## Annex II: State of Play – Global Goal on Adaptation

19. Article 7.1 of the Paris Agreement establishes a GGA to enhance adaptive capacity, strengthen resilience, and reduce vulnerability to climate change. The GGA aims to elevate adaptation within the UN process as a "guiding star" for action and support. To facilitate understanding and implementation, Parties launched the two-year Glasgow-Sharm el-Sheikh (*GlaSS*) work programme at COP26, with further guidance provided at COP27.<sup>22</sup>
20. At COP28, the UAE Framework was adopted to steer the GGA's achievement and its assessment progress, focusing on mitigating climate-related risks and enhancing adaptation efforts by 2030. Seven thematic targets and four iterative adaptation cycle targets are included in the UAE Framework.<sup>23</sup>
21. Parties also agreed to consider defining transformational adaptation. CMA6 in November 2024 will allow Parties to highlight global commitments to transformational adaptation, define it across different scales and sectors, and discuss how to assess progress in planning, financing, and implementing these approaches globally.<sup>24</sup>
22. While some Parties were disappointed by the lack of financial targets in the UAE Framework, others argued it was not the right forum for such discussions. The UAE Framework decision noted that the discussions on financial resources should be considered and continued further through the outcomes of the NCQG. The decision "encourages Parties to consider the outcomes of the global stocktake and the framework for the global goal on adaptation in their deliberations on the new collective quantified goal on climate finance in 2024."<sup>25</sup>
23. COP28 further launched a two-year UAE-Belém work programme that will identify and develop indicators as well as "potential quantified elements" to measure progress achieved toward the UAE Framework. The indicators under the targets of the UAE Framework are scheduled to be adopted at CMA7 in November 2025.
24. Developing country Parties have repeatedly noted that aligning means of implementation with the UAE Framework is essential. At the 60<sup>th</sup> meetings of the Subsidiary Bodies (*SB60*) in June 2024, Parties forwarded draft conclusions for adoption at COP29 that recognized "that means of implementation for adaptation, such as finance, technology transfer and capacity-building, are crucial to the implementation" of the UAE Framework.<sup>26</sup> Additionally, some Parties are advocating for certain indicators to be designated specifically as finance indicators, while others believe that these aspects will be adequately addressed by the NCQG.
25. Parties also requested that the SB chairs, with support from the UNFCCC Secretariat in collaboration with relevant UN organizations and specialized agencies, compile and map existing indicators that measure progress toward the targets. The submissions identified over 5,000 indicators which need to be refined and reviewed by the convened technical experts. This effort is ongoing.

## Endnotes

- <sup>1</sup> United Nations Environment Programme [hereinafter UNEP], *Adaptation Gap Report 2023: Underfinanced. Underprepared. Inadequate investment and planning on climate adaptation leaves world exposed* (Nairobi, Kenya: UNEP, November 2023), <https://doi.org/10.59117/20.500.11822/43796>.
- <sup>2</sup> United Nations Framework Convention on Climate Change [hereinafter UNFCCC], *Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation referred to in decision 7/CMA.3*, Decision 8/CMA.5, ¶ 37 (December 13, 2023), [https://unfccc.int/sites/default/files/resource/cma2023\\_118E.pdf](https://unfccc.int/sites/default/files/resource/cma2023_118E.pdf).
- <sup>3</sup> Mans Nilsson, et al., *Seeking Synergy Solutions: Policies that Support Both Climate and SDG Action* (Expert Group on Climate and SDG Synergy, 2024), <https://sdgs.un.org/sites/default/files/2024-06/Thematic%20Report%20on%20Climate%20and%20SDGs%20Action-060824.pdf>.
- <sup>4</sup> UNFCCC, *Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation referred to in decision 7/CMA.3*, Decision 8/CMA.5, ¶ 37.
- <sup>5</sup> The indicators for measuring progress achieved towards the targets under the UAE Framework for Global Climate Resilience will not be adopted until the 7<sup>th</sup> Meeting of the Conference of the Parties to the Paris Agreement (CMA7) (November 2025). The mismatch in deadlines could lead to misaligned expectations around means of implementation for adaptation finance to be covered in the new collective quantified goal.
- <sup>6</sup> UNEP, *Adaptation Gap Report 2023*.
- <sup>7</sup> UNFCCC, *Glasgow Climate Pact*, Decision 1/CMA.3, ¶ 18 (March 8, 2022), [https://unfccc.int/sites/default/files/resource/cma2021\\_10a01E.pdf](https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf).
- <sup>8</sup> Eda Kosma, Kaveh Guilanpour, and Leila Pourarkin, *Rising to the climate finance challenge*, (Arlington, VA: Center for Climate and Energy Solutions [hereinafter C2ES], September 2024), <https://www.c2es.org/wp-content/uploads/2024/04/rising-to-the-climate-finance-challenge.pdf>.
- <sup>9</sup> The UAE Framework targets relating to the iterative adaptation cycle include: (i) conduct impact, vulnerability and risk assessment; (ii) have in place national adaptation plans; (iii) progress in implementing their national adaptation plans; and (iv) design monitoring, evaluation and learning systems. See UNFCCC, *Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation referred to in decision 7/CMA.3*, Decision 8/CMA.5, ¶¶ 9-10.
- <sup>10</sup> There are concerns among some Parties that a narrow focus on the targets of the UAE Framework for Global Climate Resilience could limit financing for other important adaptation priorities not addressed within that framework. It's essential to ensure that broader adaptation needs are also considered to avoid excluding vital initiatives.
- <sup>11</sup> M. Feisal. Rahman, et al., *Locally led adaptation: Promise, pitfalls, and possibilities*. *Ambio* 52, 1543–1557 (2023). <https://doi.org/10.1007/s13280-023-01884-7>.
- <sup>12</sup> UNFCCC, *Adoption of the Paris Agreement*, Decision 1/CP.21, ¶ 53 (January 29, 2016), <https://unfccc.int/resource/docs/2015/cop21/eng/10a01.pdf>.
- <sup>13</sup> UNFCCC, *Adoption of the Paris Agreement*, Decision 1/CP.21, ¶ 53 (January 29, 2016).
- <sup>14</sup> UNFCCC, *Setting a new collective quantified goal on finance in accordance with decision 1/CP.21, paragraph 53*, Decision 14/CMA.1 (March 19, 2019), [https://unfccc.int/sites/default/files/resource/CMA2018\\_03a02E.pdf](https://unfccc.int/sites/default/files/resource/CMA2018_03a02E.pdf).
- <sup>15</sup> UNFCCC, *Ad hoc work programme on the new collective quantified goal on climate finance, Report by the co-chairs, Addendum* (October 15, 2024), [https://unfccc.int/sites/default/files/resource/cma2024\\_09a01.pdf](https://unfccc.int/sites/default/files/resource/cma2024_09a01.pdf).
- <sup>16</sup> UNFCCC, *Copenhagen Accord*, Decision 1/CP.15, ¶ 8 (December 18, 2009), <https://unfccc.int/resource/docs/2009/cop15/eng/l07.pdf>.
- <sup>17</sup> UNFCCC, *Glasgow Climate Pact*, Decision 1/CMA.3, ¶ 18 (March 8, 2022), [https://unfccc.int/sites/default/files/resource/cma2021\\_10a01E.pdf](https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf).
- <sup>18</sup> UNFCCC Standing Committee on Finance, *Report on the doubling of adaptation finance* (2023), [https://unfccc.int/sites/default/files/resource/231120\\_BLS23393\\_UCC\\_Adaptation\\_Finance\\_v04.pdf](https://unfccc.int/sites/default/files/resource/231120_BLS23393_UCC_Adaptation_Finance_v04.pdf).
- <sup>19</sup> UNFCCC, *Outcome of the first global stocktake*, Decision 1/CMA.5, ¶ 100 (March 15, 2024), [https://unfccc.int/sites/default/files/resource/cma2023\\_16a01E.pdf](https://unfccc.int/sites/default/files/resource/cma2023_16a01E.pdf).
- <sup>20</sup> Bertha Argueta, *NCQG: The role of different sources for adaptation finance* (Bonn, Germany: Germanwatch, September 2024), [https://s3.amazonaws.com/media.unfoundation.org/2024/09/GW-Adaptation-in-the-NCQG-Publication\\_final.pdf](https://s3.amazonaws.com/media.unfoundation.org/2024/09/GW-Adaptation-in-the-NCQG-Publication_final.pdf).
- <sup>21</sup> UNFCCC, *Ad hoc work programme on the new collective quantified goal on climate finance, Report by the co-chairs*.
- <sup>22</sup> Catherine Wenger, *Issues and Options to watch for the Global Goal on Adaptation* (Arlington, VA: C2ES, October 2022), <https://www.c2es.org/document/cop-27-issues-and-options-for-a-global-goal-on-adaptation/>.
- <sup>23</sup> UNFCCC, *Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation referred to in decision 7/CMA.3*, Decision 8/CMA.5, ¶ 9 (December 13, 2023), [https://unfccc.int/sites/default/files/resource/cma2023\\_118E.pdf](https://unfccc.int/sites/default/files/resource/cma2023_118E.pdf).
- <sup>24</sup> UNFCCC, *Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation referred to in decision 7/CMA.3*, Decision 8/CMA.5, ¶ 46.

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<sup>25</sup> UNFCCC, *Glasgow–Sharm el-Sheikh work programme on the global goal on adaptation referred to in decision 7/CMA.3*, Decision 8/CMA.5, ¶ 37.

<sup>26</sup> UNFCCC, *Draft conclusions on matters relating to the global goal on adaptation*, FCCC/SB/2024/L.6, ¶ 4 (June 13, 2024), [https://unfccc.int/sites/default/files/resource/sb2024\\_L06E.pdf](https://unfccc.int/sites/default/files/resource/sb2024_L06E.pdf).