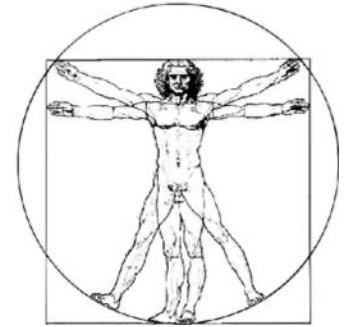


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Article 2(1)(c) The Long-Term Finance Goal of the Paris Agreement

22nd August 2023

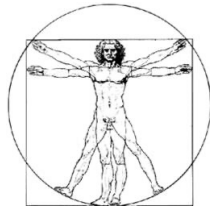
Michai Robertson

Research Fellow, ODI

Senior Advisor, Alliance of Small Island States (AOSIS)

for sustained capacity building in support of international climate change negotiations
pour un renforcement durable des capacités en appui aux négociations internationales
sur les changements climatiques

Overview



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Purpose of the presentation: To bring in some ideas on the how the relevant guiding question(s) could be answered and break the ice for the discussion

1. Context

- Article 2(1)(c): Key Role & Elements
- Article 2(1)(c): Relationship with Article 9
- Article 2(1)(c): Key Process Milestones within UNFCCC Regime
- Interlinkages in Article 2

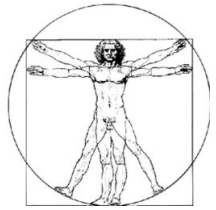
2. Views from Fellows: Proposed Agenda Item on Article 2(1)(c)

3. Guiding Questions

- What is the purpose of having an item on Article 2(1)(c) in the CMA agenda? and How can future considerations of this agenda item be made acceptable to all?
- What reassurances/safeguards can be put in place with regards to the relationship between Article 2(1)(c) and Article 9?

Context

Article 2(1)(c): **Key Role & Elements**



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Key role in a treaty's interpretation and therefore **implementation** – *Implementation of a treaty and its provisions is simply based off of what the main actors/subjects understand them to mean*

Confer treaty interpretation's general rule in Vienna Convention on the Law of Treaties 1969 [Article 31] - Treaty must be interpreted 1) **in good faith** 2) **in accordance with ordinary meaning of the treaty terms** 2a) **in their context**, and 2b) **in light of its object and purpose**

*Object and purpose are **modifiers** of the ordinary meaning of a term which is being interpreted, in the sense that the ordinary meaning is to be identified in their light*

UNFCCC PA Overall Object and Purpose (Article 2): Strengthening the global response to climate change. This is expected to be done by achieving, **at a minimum**, the 3 goals in Article 2(1), with its implementation reflecting equity and the principle of CBDRRC-NC.

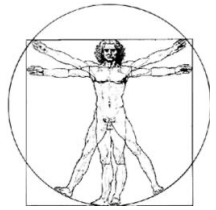
Article 2(1)(c) as the finance flows-oriented goal is focused on the following **as a part of achieving a strengthen goal response**:

- a) **How?** – Making consistent
- b) **What?** – Finance flows
- c) **With What?** - A pathway towards low GHG emission, climate resilient development

See UNFCCC SCF BA 2020 for further thinking on this issue

Context

Article 2(1)(c): Relationship with Article 9



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Article 9

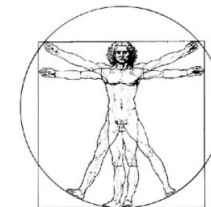
- Focuses on the **provision and mobilization of climate finance** to **developing countries**
- AOSIS characterization of climate finance: ‘climate finance as a means to a targeted end, it is distinct in nature, and codified to be new and additional finance’ (Source: AOSIS NCQG Submission, 2022)
- The ‘targeted end’ is the **PA’s effective implementation by developing countries**
- This climate finance supports developing countries in the implementation of their contributions to the global response which includes adaptation, mitigation, and loss and damage response

Article 2(1)(c)

- Focuses on the **influencing all financial flows** to be consistent with a pathway to low GHG and climate-resilient development
- This influencing is both in **developed and developing countries** as well as **public and private actors**
- One of three goals outlined as a way to achieve the PA’s object and purpose of a strengthen global response to the climate change

Context

Article 2(1)(c): Key Process Milestones within UNFCCC Regime



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Standing Committee on Finance

This body has engaged on the topic through:

- 2021 Article 2(1)(c) chapter of the [4th Biennial Assessment](#) (i.e. Chapter 4)
- 2022 [Synthesis of Views on Ways to Achieve Article 2\(1\)\(c\)](#)
- 2022 [Mapping of Available Information](#)
- 2022 CMA Request to Present Possible Implementation Approaches and Guidelines (Consideration at COP 28)

Global Stocktake

Article 2(1)(c) is the long-term goal on finance flows

This process assess the collective progress of Parties in towards achieving the PA's purpose and its long-term goals. The process has produced the following on Article 2(1)(c):

- 2022 [Synthesis Report on, inter alia, Article 2\(1\)\(c\)](#)

New Collective Quantified Goal on Climate Finance ('NCQG')

The aim of NCQG was set in 2021 and specified that the Goal is to contribute to the achievement of the PA's purpose and its long-term goals.

This includes the achievement of Article 2(1)(c)

Co-Chairs of NCQG have selected 'Mobilization and provision of financial sources, including contributors, sources and integration with Article 2, paragraph 1(c) of the Paris Agreement' of one of the topics for the 6th Technical Expert Dialogue (June 2023)

2(1)(c) Dialogue

This exchange of views and enhancement of understanding will focus on:

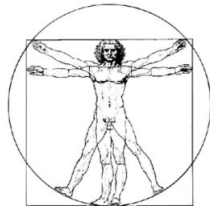
- Scope of Article 2(1)(c)
- Its complementarity with Article 9

2 workshops in 2023 hosted by the COP 27 Presidency (1st one in July 2023)

1 report on the deliberations at the workshop

Context

Interlinkages in Article 2



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PA Object and Purpose

Article 2(1)
Strengthen the Global Response To Climate Change
- Enhancing the Convention's implementation
- In the context of 1) sustainable development, and 2) poverty eradication

The Ends

PA Goals for Achieving Object and Purpose

Paragraph A
Temperature Limitation
- Well Below 2 C
- Pursuing Efforts 1.5 C

Paragraph B
Increasing Ability to
- Adapt
- Foster Climate Resilience & Low Emission Development
- Once non-threatening to food production

Paragraph C
Making Finance Flows Consistent
- With A Pathway Towards Low Emission, Climate-Resilient Development

The Means

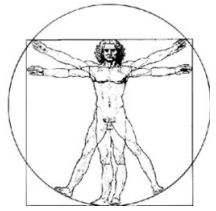
PA Guiding Principles For Its Implementation
(For the entire agreement including its object & purpose)

Article 2(2)
Implementation Reflecting
- Equity
- CBDRRC-NC

The Conditions

Views from Fellows

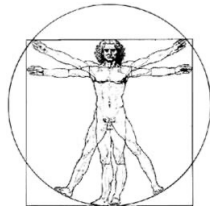
Views on the Proposed Agenda Item on Article 2(1)(c)



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- **Potential alternatives to an agenda item at COP 28 (NOTE: These are not mutually exclusive):**
 - Reaffirming the importance for its implementation
 - Sequencing – Completion of the 2(1)(c) Dialogue in 2023 & CMA decides on next steps based on the Dialogue report (*which could include the call for a future agenda item if necessary*)
- **If there is an agenda item, the following are needed:**
 - **Sole focus on:**
 - Knowledge and experience sharing on its implementation
 - Equitable approaches for its implementation
 - Including addressing unintended consequences
 - Reform of the global financial architecture in line with Article 2(1)(c)
 - Provision of new and additional support to assist developing countries in the implementation of Article 2(1)(c)
 - **Safeguards on:**
 - Ensuring that there is no mandatory tracking or reviewing of its implementation
 - Ensuring that its implementation does not become a conditionality for receiving finance

Guiding Questions



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What is the **purpose** of having an item on Article 2(1)(c) in the CMA agenda?

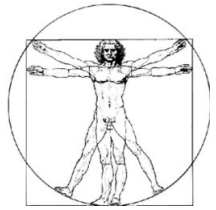
- *What is the purpose of the purpose provision?*
- *What can the governing body and/or its subsidiary bodies do under an agenda item?*
 - Knowledge sharing?
 - Consideration and/or recognition of relevant data and information?
 - Rule, guidance, or procedure making for 'effective implementation'?
 - Tracking, review, and/or accountability for 'effective implementation'?
 - Establishment and/or designation of institutional arrangements and/or support arrangements for 'effective implementation'?
 - Politically signalling?
 - Other purposes?

How can **future considerations** of this agenda item be **made acceptable to all**?

- *What are Parties current views on Article 2(1)(c)?*
- *How is equity reflected in the implementation of Article 2(1)(c)?*
 - Ensuring balanced considerations and work between both parts of low emission, and climate resilient development?
 - Safeguards against unintended consequences for the most vulnerable, and the least responsible, respectively?

What **reassurances/safeguards** can be put in place with regards to the relationship between Article 2(1)(c) and Article 9?

- *CMA declaration on what the relationship is?*
- *Other reassurances/safeguards?*



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THANK YOU!

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