

GST Technical Dialogue opening Plenary

10:00-13:00, 09 Jun. 2023 | Chamber Hall

Third meeting of the Technical Dialogue (TD1.3) of the first Global Stocktake (GST) of the Paris Agreement: Thematic round table on “means of implementation and support: Finance, technology, and capacity-building” at 10.00- 13.00 PM on 09 June 2023

Based on previous GST TDs, this third dialogue will focus on how gaps in the implementation of the Paris Agreement can be bridged towards supporting an outcome of the first GST that informs Parties in updating and enhancing their climate actions and support, as well as enhancing international cooperation for climate action and on identifying opportunities for action across all thematic areas of the GST.

The emerging messages from the reflections section in the TD1.2 summary report will be a starting point for discussions, and participants will be invited to share views on these messages and any missing topics or issues within a cluster. The discussion should help to strengthen and further substantiate emerging messages. Also, across the clusters, participants will be asked to provide views on “what is next?” after the conclusion of the GST1 this year. This could include describing what the government/organization are going to take from the GST1 outputs to inform actions in the coming years. What barriers and challenges do you face and how can international support and cooperation enable you to overcome these barriers? What information or guidance is most useful to you in pursuing the goals and contributing to the collective progress towards the goals of the Paris Agreement?

Roundtable 3: Means of implementation and support: Finance, technology, and capacity-building

- Scaling-up and aligning global financial flows for climate action in line with the Paris Agreement goals entails unlocking trillions of dollars to support the global transition, critically through the strategic use of public international finance, which remains a prime enabler for action in developing countries.
- Achieving systemic transformations in pursuit of the 1.5 °C degree goal requires rapid deployment and adoption of cleaner technologies and accelerated innovation and development of new technologies, with growing access to these supported by appropriate enabling frameworks and international cooperation.
- Capacity-building is foundational to achieve broad-reaching and sustained climate action and requires country-led and needs-based effective cooperation to ensure capacities are enhanced and retained over time at all levels.

LDCs Key Views

CONTEXT:

- In the past TDs LDCs have constructively engaged and highlighted that Finance, Technology and Capacity Building are key to unlocking transformational change and innovative solutions for climate actions across all themes – Mitigation, Adaptation and Loss and Damage. We continue to believe in this.
- LDCs note with serious concerns the gap in relation to the fulfillment of goal of the developed country parties to jointly mobilize USD 100 billion per year by 2020 to meet the needs and priorities of the developing countries for climate action and support.
- LDCs take note of the SCF assessment that shows the general increasing trends in global flows of finance for climate action, reaching an annual average of USD 803 billion in 2019–2020, which is 31–32% of the annual investment needed to follow global modelling mitigation pathways consistent with the 2 °C or 1.5 °C global temperature rise. While it shows increasing trend, we note with serious concern that existing flow is very small compared to the needs of the developing countries and that it is too mitigation centric.
- Scaling climate finance provision from developed to developing countries, across range of instruments, from various sources, including through new channels and instruments is crucial

QUANTITY: Balance Between Adaptation and Mitigation

- The imbalance in finance flow between mitigation and adaptation is matter of concerns to the LDC. We note that share of finance flow for adaptation is only 20% (USD6.4 billion) in 2017-2018 and 28% (USD 8.9%) in 2019-2020. More than 70% of the investment go for mitigation action, that are not necessarily for clean and green investment.
- We agreed at COP26 that the adaptation financing would be doubled but this isn't taken seriously. Decision 1/CMA.3, paragraph 18, urges developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025.

The reality is different, for instance

- LDCF pledge at **COP26 was US\$ 413 million** but **US\$ 70 million at COP27** – Reduction by over 80%
- Adaptation Fund pledge at **COP26 was US\$ 351.6 million** but **US\$243 million at COP27** – Reduction by over 30%
- We particularly note with concern the difficulties in realising collective pledges/provision of climate finance, especially when there is no assigned figure for

a particular party. This creates difficulties in monitoring and verifying, hence difficulties in assessing the progress.

QUALITY:

Plans and policies: ACCESS

- LDCs have prepared NDC and NAPs –
 - **45 of the 46 LDCs** have submitted their NDCs and
 - 22 LDCs have prepared and submitted their NAPs and 24 LDCs are in the process of submitting.
- Many of our members have started aligning their climate plans and policies in their national development plans and programmes with a hope that they can access climate finance. But only to be disappointed.
- **Adequate, predictable, accessible** resources is key for implementation of our NDCs, NAPs and creation of enabling environment (Laws, regulations, policies, guidelines and institutional framework).
- Most vulnerable communities continue to wait for climate finance to adapt and build resilience to the adverse effects of climate change.
- Ensuring **simplified, easy** and **expeditious access** to climate finance that seeks to serve LDC needs

(Cite the examples from GCF and others)

Debt Sustainability and Instruments

- Many of the LDCs are already under high debt stress. Due to growing extreme and slow onset climatic events, countries are having to take more loans to address these issues.
- **Avoiding further debt burdens** hindering climate action in the context of sustainable development is crucial.
- **LDCs prefer GRANTS** as a financial instruments especially for addressing adaptation needs and loss and damage
- We struggle getting support for **adaptation from the private sector** hence public finance is crucial. Private sector, being a profit oriented institution, can't be a solution for LDCs. (Cite the examples for addressing extreme disasters e.g.)

Technology

- Achieving systemic transformations in pursuit of the 1.5 °C degree goal requires rapid deployment and adoption of cleaner and affordable technologies, accelerated innovation and development of new technologies.
- Acquisition, deployment and diffusion of environmentally sound technologies require adequate and accessible finances as provided for under the Convention and the Paris

Agreement. Capacity building is definitely inevitable in the application and diffusion/deployment of the requisite climate technologies.

- But this should be backed by appropriate enabling frameworks and international cooperation.

Capacity building

- Capacity-building is the foundation to achieving broad-reaching and sustained climate action and requires country-led and needs-based assessment and effective cooperation to ensure capacities are enhanced and retained over time at all levels.
- E.g. preparing plans, projects and programmes, building the human and institutional capacity to access resources and implement them effectively.
- Facilitating national, regional and international experiences is also equally important.

GST is also a forward looking process – it clearly needs to tell us we here are heading.

- Mol is important in responding to the current status of science and needs to of the developing countries particularly LDCs. Hence, increase climate finance and strike a balance between the adaptation and mitigation. Loss and damage finance is a priority for LDCs.
- As indicated previously, we clearly need to reflect if the current climate financing architecture is “**Fit for Purpose for the LDCs**”. If the LDCs are to be truly supported to take climate action and address their vulnerability consider the following.
 - a. Increase allocation in the most vulnerable, especially Grant based financing where there is no economic returns.
 - b. We need to expedite the MDB reform, changes the borrowing conditionalities and terms and conditions.
 - c. Opportunity for debt restructuring, debt swaps and debt-sustainability will have to be clearly considered.
 - d. Operating entities, Funds, MDBs and the providers of climate finance must take more risks.
- The outcome of the GST should inform the New Collective Quantified Goal on Climate Finance process in order to address both quantitative and qualitative issues. Needs discussion for NCQG, how can Idcs have finance that works from macro government level all the way to local access by women and children

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Guiding questions for discussion

- What is the collective progress in terms of the current implementation of, and ambition in, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development towards to achieving the goal defined in Article 2.1 (c) of the Paris Agreement?
- What is the collective progress in terms of the implementation of, and ambition in, the provision and mobilization of scaled-up financial resources from a wide variety of sources, instruments and channels towards achieving the goals defined in Article 9 of the Paris Agreement, noting the significant role of public funds, and aiming to achieve a balance between finance for adaptation and mitigation?
- What is the collective progress in terms of the state of current implementation of, and ambition in, technology development and transfer towards achieving the vision defined in Article 10.1 of the Paris Agreement? What is the state of cooperative action on technology development and transfer?
- What is the collective progress in terms of the state of current implementation of, and ambition in, enhancing the capacity of developing country Parties to implement the Paris Agreement?¹⁷ How effective has been the implementation of capacity-building efforts?
- In order to achieve the goal defined in Article 2.1(c) of the Paris Agreement as well as scale up the provision and mobilization of means of implementation (including finance, technology development and transfer and capacity-building), including in the short term, both from public and private sources, at the national and international levels to achieve the Paris Agreement goals:
 - What further action is required?
 - What are the barriers and challenges and how can they be overcome at national, regional and international levels?
 - What are the opportunities, good practices, lessons learned and success stories?

What is the collective progress in terms of the state of current implementation of, and ambition in, technology development and transfer towards achieving the vision defined in Article 10.1 of the Paris Agreement?

1. Most LDC parties have been supported by UNEP, the GEF and Technology Mechanism to undertake/review and implement their TNAs and TAPs
2. Despite its limited mandates of providing technical assistance, CTCN follows up technical assistance by linking the LDCs through their respective projects developed by CTCN, to the available sources of finance and requisite climate technologies (match-making)
3. The NDEs have undergone regional trainings to enable them respond effectively to their functions

4. CTCN, through COP decision, was asked to continue to provide logistical and technical support to NDEs for the Implementation of TNA outcomes as an integral part of its rolling work programme
5. CTCN holds annual regional forums which bring together all NDEs within the region, to share their experiences, achievements and challenges faced in the implementation of their respective mandates
6. All the rolling workplan and the new Joint work programme of the technology mechanisms are guided by the themes of the Technology Framework that was established under the Paris Agreement

What is the state of cooperative action on technology development and transfer?

- 1. TEC AND CTCN hold regular meetings and have developed a joint Work programme**
- 2. The FM and the TM continue to share experience, lessons learnt through participation in each other's meetings while seeking solutions to identified challenges**
- 3. The NDE, NDA and GEF Focal points work together to support and promote technology Development and Transfer actions, though these linkages require further enhancement**
- 4. The Environment, Research, Business, youth, women and Gender, and indigenous NGOs participate in the meetings of the Technology Mechanism arms, as members**
- 5. Developed countries continue to provide financial support to CTCN, though not adequate, for operations and responding to all requests of developing countries**
- 6. UNEP and Director of CTCN mobilise financial resources for activities of CTCN**