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**Conference of the Parties serving as the meeting  
of the Parties to the Paris Agreement**

**Fourth session**

Sharm el-Sheikh, 6–18 November 2022

Agenda item 8(e)

**Matters relating to finance**

**New collective quantified goal on climate finance**

**Ad hoc work programme on the new collective quantified  
goal on climate finance**

**Report by the co-chairs**

**Addendum**

**Summary and key findings of the fourth technical expert dialogue  
under the ad hoc work programme on the new collective  
quantified goal on climate finance**

*Summary*

This addendum presents a summary, including key findings, of the fourth technical expert dialogue under the ad hoc work programme on the new collective quantified goal on climate finance, as part of the report by the co-chairs of the ad hoc work programme on the work conducted in 2022.



## **Fourth technical expert dialogue under the ad hoc work programme on the new collective quantified goal on climate finance**

### **A. Proceedings**

1. As part of the work conducted in 2022 under the ad hoc work programme on the new collective quantified goal on climate finance, the co-chairs of the ad hoc work programme convened the fourth technical expert dialogue, on matters relating to access to climate finance.<sup>1</sup> The dialogue was held on 5 November 2022 in Sharm el-Sheikh, Egypt, with some 300 in-person and 30 virtual participants.

2. The co-chairs of the ad hoc work programme, with the support of the secretariat, developed the programme for the fourth technical expert dialogue and identified and invited resource persons to participate in the dialogue. The dialogue was open to observers, conducted in hybrid format and webcast to facilitate the participation of all interested Parties and non-Party stakeholders. Representatives of government, multilateral development banks, non-governmental organizations, academia, civil society, including youth, and the private sector contributed positively to the discussions.

3. In addition, the co-chairs, with the support of the secretariat, prepared session briefs to assist the participants in preparing for and to guide the discussions at the dialogue, and convened a briefing meeting with the resource persons to clarify any issues before the dialogue.

4. Prior to the dialogue, the co-chairs issued a reflections note,<sup>2</sup> which built on the landscape of issues identified during the first, second and third technical expert dialogues and contained guiding questions to help focus the discussions at the fourth dialogue. In response to the request from Parties and non-Party stakeholders to ‘deep dive’ into specific elements identified in the landscape of issues, the fourth technical expert dialogue comprised sessions on:

- (a) Experience, lessons learned and solutions related to enhanced access to climate finance;
- (b) Access to climate finance in the context of the new collective quantified goal on climate finance.

### **B. Summary and key findings**

#### **1. Experience, lessons learned and solutions related to enhanced access to climate finance**

5. Participants exchanged views extensively on challenges, gaps, success stories and measures taken with regard to enhanced access to climate finance.

6. Challenges highlighted by participants include, inter alia, the following:

- (a) Lack of availability and accessibility of financial resources, from a variety of sources, for implementing climate projects;
- (b) The current accreditation procedures under the climate funds, which continue to cause a bottleneck in the process of accessing climate finance owing to the lengthy and cumbersome application procedures, affecting in particular the many developing countries without direct access entities;

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<sup>1</sup> See <https://unfccc.int/event/fourth-technical-expert-dialogue-under-the-ad-hoc-work-programme-on-the-new-collective-quantified>.

<sup>2</sup> Available at <https://unfccc.int/event/fourth-technical-expert-dialogue-under-the-ad-hoc-work-programme-on-the-new-collective-quantified>.

(c) The mismatch between the priorities of contributors and recipients of climate finance, which can lead to sector-focused project silos rather than provision of support at the systemic level;

(d) Lack of coherence, coordination and harmonization between multilateral development banks, the operating entities of the Financial Mechanism and other multilateral funds in terms of their processes and requirements for project application and accessing finance, resulting in a geographical imbalance in the distribution of financial resources with some developing countries receiving a larger share of funds than others;

(e) Lack of clarity on the climate rationale for and impact of projects, which is required for preparation of effective project proposals by implementing and accredited entities, although it was recognized that the Green Climate Fund has taken measures to simplify the data requirements for demonstrating the climate impact of projects proposed for funding;

(f) Lack of capacity at the national and local level to access climate finance, particularly of direct access entities, and lack of data and information for developing high-quality project proposals;

(g) Lengthy timelines of finance providers for assessing and approving funding proposals and for disbursing approved funds, leading to delayed project implementation;

(h) Lack of incentives for the private sector to invest in mitigation and adaptation projects in developing countries with high market entry costs, which highlights the potential for more public incentives and financial sector regulations to encourage more private investments in areas that currently do not attract them. Views differ on the role of the private sector in the context of the new collective quantified goal on climate finance because private sector actors do not have obligations under the Convention or the Paris Agreement under the current transparency arrangements.

## **2. Access to climate finance in the context of the new collective quantified goal on climate finance**

7. With respect to opportunities and lessons learned in relation to climate finance access and how action in the context of the new collective quantified goal on climate finance could address the identified challenges, participants highlighted, inter alia, the following:

(a) The general recognition that the more mitigation efforts are undertaken, the less finance will be needed for adaptation and addressing loss and damage, underscoring that it is no longer sufficient to invest solely in mitigation actions and that financial resources are needed for adaptation and addressing loss and damage;

(b) A wide range of views on how the decision setting the new collective quantified goal on climate finance can reflect features of access to finance, ranging from encompassing explicit references to access in the decision to providing guidance on enhanced access modalities to various climate finance actors. Guidance and principles for enhanced access could include, inter alia:

(i) Creating floors of allocation by country or geographical region, following the System for Transparent Allocation of Resources model of the Global Environment Facility, based on vulnerabilities and capacities of developing countries, while recognizing that different views were expressed on the usefulness of such floors;

(ii) Encouraging harmonization and collaboration among partners, including through programmatic approaches, following the model of the Climate Investment Funds;

(iii) Encouraging simplified and standardized access requirements, in particular for public entities, that are fit for purpose and take into account the scale and complexity of actions and investments, as well as the political, economic and environmental context within developing countries;

(iv) Encouraging the simplification and acceleration of accreditation procedures, in particular of direct access entities;

(v) Encouraging further alignment between national strategies and the interests of public and private investors, with investors needing to enhance efforts to reflect the needs and priorities of developing countries in their portfolios;

(c) That, under the new collective quantified goal on climate finance, access should be facilitated to all sources of finance (public and private) to enable the implementation of national investment plans aligned with nationally determined contributions and national adaptation plans;

(d) The integration of human rights approaches and mainstreaming of climate considerations in development plans to increase political uptake at different levels of government, thus increasing access to climate finance for countries and local communities;

(e) The opportunity to identify under the ad hoc work programme the instruments and channels that have been used effectively by developing countries, including by sector and geographical region, with a view to providing recommendations on upscaling them in the context of the new collective quantified goal on climate finance;

(f) The need to recognize and build on existing initiatives and efforts to enhance access to climate finance, including:

(i) The simplified approval process of the Green Climate Fund, which was identified as a useful model for enabling enhanced and simplified access to climate finance for small-scale and low-risk projects;

(ii) The task force on access to climate finance, which was recognized to be useful in supporting developing countries in accessing climate finance in its pilot phase by bringing together practitioners on the ground and climate finance providers to identify measures for accelerating access, guided by a set of identified principles and recommendations;

(g) The need to enhance capacity-building measures at the institutional and actor level, including through existing initiatives such as the Climate Finance Access Network, which has delivered fast results by deploying climate finance advisers to supplement capacity in developing country governments and direct access entities to unlock climate finance, and the Rwanda Green Fund, which has contributed to building in-country capacity and comprises blended finance models and technical assistance for national administration and implementing agencies;

(h) That opportunities for enhancing access to private finance could be created by:

(i) De-risking projects through blended finance and incentivizing investors to enter higher-risk markets, in particular in the mitigation context;

(ii) Building on existing initiatives that make available data and information to help identify climate risks and threats and reduce transaction time and costs;

(iii) Addressing actual versus perceived risks by demonstrating that projects are bankable when they do not seem to be;

(iv) Establishing policy frameworks that make projects more attractive to private investment.

8. Participants underscored that a wide range of actors need to be engaged in enhancing access to climate finance, and that more outreach may be needed under the ad hoc work programme on the new collective quantified goal on climate finance to engage actors such as asset owners, asset managers, regional development finance organizations, trade unions, indigenous peoples and local communities, subnational governments and business associations.