Third Technical Expert Dialogue under the Ad hoc Work Programme on the New Collective Quantified Goal on Climate Finance, 6–9 September 2022

Programme:
https://unfccc.int/event/third-technical-expert-dialogue-under-the-ad-hoc-work-programme-on-the-new-collective-quantified

Video Links to Days 2-4 (Day 1 missing for unknown reason):
https://www.youtube.com/c/UnfcccInt/videos

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Key take-aways

- Private sector highlighted the importance of making projects bankable in order to get them involved. This can be achieved by utilising NDCs better to make investment plans
- Several people were critical of whether there is a role for private sector in adaptation finance since many adaptation projects are not bankable
- The NCQG should be onion-layered with clear expectations of who are expected to contribute to which layer
- The NCQG needs to be flexible because needs are context-dependent and constantly evolving. It must also have a bottom-up approach, which is esp. important for adaptation since projects are typically community-owned/driven
- Lack of data and clear methodology for assessing needs is a problem for mobilising finance, esp. for private sector who need to know what they are investing in. The NCQG should be able to accommodate new data and methodologies as they come
- The NCQG must ensure more finance for adaptation. This (and other things) could be achieved through subgoals. However, we must also avoid having too many subgoals since this with make the NCQG too complex
- Need to establish the legal base/framework of the NCQG. We should not take the link to art. 9.1, 9.2 and/or 9.3 for granted

Notes:

Date: 6/9 Day 1
SESSION 1: Characteristics of needs and priorities of developing countries (Scene-setting presentation) 09.30 – 10.15 This session will discuss the scope, scale, composition and characteristics of the needs and the priorities of developing countries, covering thematic areas, qualitative and quantitative aspects, means of implementation and geographies. **Scene-setting presenter: Aidy Halimanjaya, Dala Institute** **Moderator: David McCauley, Senior Climate Finance Consultant** Note taker(s): Diana Elhard
Session: 10.15-12.15 Breakout Discussion 1 **Questions:** Which are the different thematic areas and sectors where needs and priorities are identified? And how can the NCQG respond to these different thematic areas? How can the NCQG be configured to ensure that the priorities of developing countries are addressed? Which sources of inputs can inform the NCQG on the priorities of developing countries? Note taker(s): Diana Elhard (There was a large online discussion, then two breakout rooms, and then we came back together again. I was in the breakoutu group 'Coron')
Session: 13.15-14.00 REPORT BACK of breakout group discussions 1 (on characteristics of needs and priorities of developing countries) **Note taker(s): Clara Gurresø** Feedback from groups: Presenter: **Mitigation:** - A main theme was how to deal with the reality of the global mitigation goal and the need to define that from the bottom. Top-down vs. bottom-up tension. That was a recurring theme. - A second theme was the underlying rationale: is it based on an obligation or collective interest? - The third theme was that in dealing with mitigation it shouldn't be viewed as just cause. It is clear that there are many opportunities for benefits from mitigation, driven by tech development where switching to green energy can actually save you money. However, in some cases it is going to be harder to find benefits, so how do you deal with those.

- Finally, the costing exercises are not easy. When we get to prioritising, on what base do you prioritise? Is it cost per tonne abated? Or based on wider objectives of trying to keep the costs of providing energy?

Adaptation:

- We need to know what our budget is so we can plan accordingly, “tell us how big the budget is and then we can start planning the wedding”.
- Part of that tension is that another part of the group feels that there are enormous data needs, esp. for LDCs and SIDS. GCF are very particular with how they allocate funding, some countries are forced to go out and look for more data to justify their needs.
- If indeed the NCQG manages to give guidelines on a common approach on needs, is that even possible? How do you deal with countries with special circumstances?
- re. the rigidity of dividing into sectors: in a greener world, will a country still be dependent on tourism or will that change due to less air transport?
- need to plan out need assessments in a way that translates into investment plans. Some countries are already doing that very well.
- Adaptation is not static, it changes over time. It depends how well we do on mitigation. There is a lot of overlap between mitigation and adaptation

(Matheus??):

- Many participants from the three different groups highlighted the bottom-up approach towards the need of developing countries need to be reflected in the overall approach of the goal. hence, flexibility was really important in all the groups.
- When it comes to the inputs, the data available is not comprehensive enough but this should not prevent us from moving forward. We have enough data to set ambitious goals. The new goal should be flexible enough to accommodate new data
- There should be both qualitative and quantitative aspects. On the qualitative side there should be a set of guiding principles re. how to achieve all the Paris goals incl 2.1c

?? from Saudi Arabia:

- Re. bottom-up/top-down tension, this has already been decided in the Paris agreement, which is based on bottom-up NDCs
- We have ample report on the needs of developing countries. Sure it’s not perfect, but what we really need is process

Presenter:

- To clarify what I meant, the tension refers to that the bottom-up approach needs to be defined in a way that it meets the Paris goal

??:

- Problems in needs-assessment should not constrain us

14:00-15:30 SESSION 2: **Experiences in translating needs and priorities into projects/programmes and how these can inform the NCQG**

Note taker(s): Clara Gurresø

Adaptation roundtable

Gareth Phillips (African Dev Bank, https://unfccc.int/sites/default/files/resource/Gareth%20Phillips.pdf)

- Speaking from the perspective of African countries. Adaptation is a higher priority than mitigation on the african continent because so many people are already feeling the negative effects of CC.
- Although African NDCs frequently mention adaptation, they don't give sufficient details to allow us to move forward with defining bankable projects.
- In Africa we have very few long term strategies. Long term strategies should provide the visions and then NDCs can give us objectives based on that
- See potential of the NDCs to give us the level of detail we need/to act as a type of investment plan
- Sometimes ministries don't talk to each other, eg. the ministry of environment and the ministry of finance might have opposing visions in regards to adaptation/fossil fuel exploitation
- We need more grants to support needs, the activities of the ADB is a very good example of this
- Many adaptation tech don't yield revenues, and some take years before they yield revenues. The time that it takes can kill a project before they get to the point where they yield revenues. Therefore they need support. Trying to do the same for adaptation that we're doing for mitigation won't work. The actors on adaptation and mitigation are very different (small, local communities vs. international engineers). The communities need smaller amounts of money to implement small projects, but we do not have the instruments to deliver this type of support.
- There are very few sources of money for adaptation compared to mitigation
- One of the biggest challenges we face is the focus on metrics and focus on data. If a country says that this is their adaptation need then that is their adaptation need. Then it is up to the donor to accept it or not.

Jerry Velasquez (GCF, https://unfccc.int/sites/default/files/resource/German%20Velasquez.pdf):

- Some sectors are underserved, eg. we have very few projects on health
- In GCF we have a lot of flexibility and it is key that we use that flexibility. Many projects don't mature, so we need to use our resources to help those projects mature. We also have consultants that we can send to help with projects.

Veronica Jakarasi (AECF, https://unfccc.int/sites/default/files/resource/Veronica%20Jakarasi.pdf)

- We operate in the missing middle that exists in Africa. We unlock the potential of the private sector to support marginalised and vulnerable communities.
- Many SMEs cannot meet the requirements of accreditation to GCF. We help them unlock the finance they need.
- When we talk about enabling countries to understand their needs, we need to enable the bottom-up to talk to the policy-level, so a combination of the two approaches. Part of capacity-building is that they can communicate their needs.
- How do we enable SMEs to create climate investment plans and how do we enable them to lobby for their needs

- How do we ensure that NDCs and enabling policies are communicated in a way that is understandable for SMEs

Facilitator:
- Capacity-needs and engaging private sector was highlighted by all speakers
- Finally, issue of scaling and lack of data was also mentioned

Dominique (UK COP26 presidency):
- The discussion was related to access. to make sure that finance is flowing in an effective way, we need a conversation about plans and priorities being incorporated across governments. ATm we have a huge number of plans but we're not seeing finance flowing into the right places. Would like to highlight the importance of partnerships. UK thinks that we need to scale up this model to make sure finance flows right. Taskforce (to access finance??) that UK is engaged with. The taskforce has two channels. The second channel of the taskforce has 5 country pilots. In each country all relevant ministers and local actors are joining in the conversations so we can pull needs etc. into one place and have the conversation between them and climate finance providers on needs etc. Would be interesting to see how we can scale up this model.

?? (Barbados):
- The barbados perspective is to build a clear national programme that looks at national to local levels (roofs to reef programme?). It's not always easy esp. for SIDS to provide all the data needed, but that does not negate that we are on the frontline. If we wait to collect all the data needed then we might not be here anymore. No one consulted us when the circumstance that put us in this situation was created, but now there is a call for more data.
- IUCN and other actors are trying to determine what nature-based solution is, they are barking up the wrong tree. It has to be defined bottom-up. Only local communities can determine what solutions work for them.
- We have done good work in Barbados but we could do a lot more work if we get assistance

?? (Costa Rica)
- In the context of private investment, remember that the NCQG is mostly a public goal
- It's not about how can communities make their projects more bankable, it should be about how private finance actors can make their finance more accessible to small actors
- focus should not be on economic gain from projects, but rather on social and environmental gains. The latter should be financed. We are here for a higher goal than just profit.

?? (Kenya?):
- To speakers: What would you consider elements that can catalyse scalability of projects?

Fazle Rabi Sadeque Ahmed (Bangladesh):
- the challenge is not just with amount of money available. Country perspectives differ, and even within one country it might differ.
- We submitted a project in 2018 that is still under review. I don't know what the fate of this project will be.
- If you really want to address the most vulnerable then you cannot talk about bankability. "bankable" should not be a criterion

- (something about 50/50 balance between mitigation and adaptation)

Facilitator:
- That is a good point, how do we deal with the 50/50 balance in a bottom-up approach. We will talk about this later in the week

?? (Switzerland?)
- The people who come to the GCF already have some capacity. How do we reach the people who do not have this capacity?

??
- We are talking about a NCQG. It looks like we are sliding on what is needed to define a project. The speakers have their business plan, the business plan is to finance projects that are bankable. If you take an adaptation project, there is no way you can have a factor of bankability there. If you go to mitigation, if the private sector wants to put money there they are not doing it for the good of the planet, they care about how the project can benefit them.
- AFD, GCF etc already have their guidelines. What we have to do here is to make sure that we need how much money we need to mobilise for the process

?? (New Zealand):
- Recognise that many adaptation needs won't be bankable. Also recognise that additional types of finance will be needed to meet the enormous scale of need. Need to think about how to unlock that. Would like to consider both parts of the puzzle and how we can bring them together

Facilitator:
- one thing that came from several speakers is what is the role of national planning and how should that be better respected in the process moving forward. Lets think of that as a corollary to the goal

Gareth Phillips:
- trying to copy our mitigation approach in adaptation won't work. We have been trying to encourages stakeholders, companies etc. to make a contribution, like an adaptation levy. Countries could give a fraction of their income towards adaptation
- In terms of bankability, we should look at contracts that compensate based on results
- Read more about ABM at www.abmechanism.org

Jerry Velasquez:
- We are a country driven institution, it is up to countries how they use our resources.
- We have project preparation grants to help write the projects. Additionally we have consultant who we provide for free
- My suggestion: i think we should try to maximise the use of the readiness grant. Many countries don't use the 1 million dollar available to build their local capacity. Bankability of projects is not always the problem, the problem is that there is no partner for the project.
- we need to ensure that those who have less capacity can make the most of our resources

Facilitator:
- Capacity is a need in and of itself

Veronica Jakarasi:

- UK’s proposal is possible
- A decapacitated community is eventually a decapacitated country
- We hare currently missing the space where we bring together government, development actors, grassroots etc. together. Advocacy is important
- Derisking is important

14:00-15:30 SESSION 2: Experiences in translating needs and priorities into projects/programmes and how these can inform the NCQG [Mitigation roundtable]

Speakers: Esmyra Javier, Asian Development Bank
Björn Surborg, Deutsche Gesellschaft für Internationale Zusammenarbeit
Anabella Umuhoza Kayihura, Rwanda (virtual: significant technical difficulties and so the notes are vague)

Notetaker: Diana Elhard

Presentations:
Esmyra Javier
- Flows need to increase, and capacity [for the public sector] also needs to increase to shift needs into investment plans, ADB is currently supporting countries in building this capacity and strengthening reporting capacity, NDC preparation, and project development for a strong project pipeline
  - Technical support is a critical area for capacity building in many public sectors
- This project, NDC Advance platform, ADB’s platform to help countries meet their commitments under the Paris Agreement. Currently working with 12 countries
- Four components of NDC Advance platform:
  - refining and translating NDCs into climate investment plans
  - translation of needs is a complete package, not one issue on its own
  - improving countries access to private finance, link countries and private sector
  - develop methods and tools to measure, monitor, and report
- Underlined the importance of data

Björn Surborg
- Pointed out that he brings a technical perspective and so he is trying to be practical, from his perspective, but that this may not be in agreement with everyone
- The NCQG should not only be a big number, but should include impacts and it should be fit for purpose [see reflections note for more discussion]
- Top-down assessment of needs (quant total $ needs) + bottom-up approach involving assessment of needs through NDCs, it is counting both ways to arrive at a number
- We have heard objections to the top-down, but perhaps aggregate is a better word, we do need an aggregate goal, a ‘top-down’ number
- As far as our carbon budget, in Paris we had 400 gigaton for 1.5 degrees and 1,500 gigaton for 2 degrees, which is not where we want to be
  - Today we have 290 gigaton for 1.5, 1040 for 2 degrees
- We do need a much stronger data-driven approach, we need to invest in the data infrastructure of each country, the next step is from having data like inventories to analysis to how to get to net zero or other goals, then this should be costed, and this should all be done and added to the NCQG
- Net climate finance: if we do reach $100 billion for climate change, but fossil fuels subsidies are $200 billion, we are still going backwards if this is the case

Anabella Umuhoza Kayihura
[This was significant technical issues with audio during Anabella's chat, so many of her comments were lost, notes only reflect part of what she said]

- Rwanda has a Green Goals and Climate Resilience Strategy (a tool to implement their NDC)
- Under this plan they have worked to build links between the public & private, developing bankable projects and working to connect with specific investors
- Rwanda has a plan for agriculture, infrastructure, water, sanitation, rural settlement, climate resilience, etc.
- The Ministry of Finance also is involved in investment planning on climate finance
- Focusing on home-grown projects and then utilizing the linkages between government entities and ministries
- Accessing external investment flows has many requirements (data, regulations, etc.)

Questions and Answers:

- Significant discussion in this session about the idea of top-down vs. aggregate vs. bottom-up approach. The presenter tried to explain that how used top-down with reference to aggregate, for example if the overall aggregate goal is to limit average warming to 1.5 degrees, then all of the bottom-up produced plans need to meet that, but several representatives from developing countries pushed back against this understanding and said only bottom-up should be used rather than top-down or aggregate as described by the presenter, at least one speaker cited the Paris Agreement and the process of NDCs as the only approved upon approach and that this was bottom-up
    - A suggested solution was to have a principle-based discussion about the NCQG, establish certain principles and then work from bottom-up using NDCs
- Important to recognize the different technology challenges that come with different projects
- Climate finance currently does not flow equally across different countries
- The goal should have a number and quality components to send key signals
    - Collective achievement, a global effort through NDCs
- There was a suggestion to think of the goal with quality components as a signal to the Parties, also sees that the NCQG could be an important signal to the private sector, as the Paris Agreement and the understanding of 1.5 degrees have been signals already
- Additional support for bottom-up approach, thought of as utilizing NDCs or other approaches
- To serve Article 2.1 of Paris Agreement, there is a global, top-down aspect
    - Response from another participant: the NCQG is to advance Article 2, not to solve Article 2
- Question regarding the fact that there are financial flows, how do we get from needs to investments and involve the private sector? What do the speakers think the key barriers are to these and capacity issues?
    - Response: ADB is currently having programs to help private entities develop capacity, particularly around adaptation projects
- Question about how to change the broader face of finance to be more inclusive of women, people from developing countries, and LCIP
- One of the co-chairs spoke and noted that while capacity development has been talked about, it is also important to recognize that they [co-chairs?] have tried to engage the private sector, but that they have a lot of capacity to develop as well in

terms of understanding what governments are doing. What lessons have been learned from what we have tried in terms of capacity building?
    - Response: Training, developing support, and tracking and methods are all different parts of capacity building
    - For the ADB program, capacity-building is country-driven, meaning they ask for it, but turnover in some of the agencies and within ministries is high and so governments could work harder on incentivize staying for the people who have knowledge and have these skills
- Who constitutes the private sector? Important to remember that the private sector varies across countries and then there are regional/international private entities

15:30-17:30 BREAKOUT GROUP DISCUSSIONS 2:

- **How can the needs identified be used to facilitate climate finance mobilization and deployment, and be translated into project pipelines in the context of NDCs and national climate strategies?**
- **What are the needs/requirements of actors to facilitate translation into action?**
- **How and to what extent have the needs and priorities of developing countries been addressed, how has this been assessed if at all, and how have the actors responded consequently?**

Gabriela Blatter:
- Swiss dev cooperation works in the way that we have strategic discussions with partner countries every 4 years where they tell us their needs and priorities. Then we try to match it with the areas in which we are strong, eg. we have expertise on water management. in our conversations with private sector actors this is also important but we have to translate it into a bankable project. The more actionable a need it the easier it is to facilitate the conversation with private sector.

Mamadou Honodia:
- we should consider how strategic documents could be translated into investment documents

Charlene Watson:
- if we better understand needs then we can better ensure that finance goes to those who need it the most

Mamadou Honodia:
- would be wise with a general template for how projects should be formulated. A template that does not pose an additional burden to developing countries
- new conditionalities would be very difficult to accept. Introducing new instruments is premature. NCQG should not be a platform to start assessing new criteria for what is a good project and not

Jan Kowalzig:
- identifying needs would ideally tell us what type of finance is needed and how to deliver it. When we learn from needs-assessment exercise then of course that can inform the nature and structure of the new goal. Certain programmes or certain needs are best suited for mobilising investments and others are best suited for grants. The needs identification process would helo us identify the different types and point us in a direction of how the goal should be structured. Perhaps it needs to be different from the current 100 billion lump sum

Gabriela Blatter:
- currently there is a large amount of loans, and üerhaps that is not the best for all projects.

Miriam Kennett:
- using Pakistan as an example, we knew that catastrophe was coming. The need was partly geographical, it is low-lying etc. If we insist on having projects with donor profit, how do we manage that? We know about the risks. It seems to me that asking “how can we use the instruments?” is the wrong question. Surely we need different investment tools. The data is there, we know where people are at risk.

Jo Ann Eala:
- Urgency is an important factor. Relevance (urgency), bankability, and support from stakeholders should be important

Mamadou Honodia:
- we need a clear roadmap of how NCQG will be operating. That will make it easier to translate policies into action

Gabriela Blatter:
- important for us that needs are not only expressed in climate specific documents but also in the larger development priorities of countries. In our country we always have a conflict of needs in budget negotiations. It is only possible for us to be a strong provider of climate finance if climate needs are also expressed in the development priorities of countries

Jo Ann Eala:
- From the private sector perspective, we have done a little bit but I would like to think there is still a lot more to be done. Esp in philippines where we have needs in electricity supply

Facilitator
- we need to look into how do we bring private equity into the process. It has to be based on the needs of the country, but then the question becomes how do you translate that to the private sector

Hendrikje Reich:
- In Germany we do a lot of work to ensure that we focus on the needs of the partner countries, we check with the NDCs and ask for support from the local government. That is how we try to ensure that we meet their needs. But that of course requires a lot of communication between the involved ministries to ensure that they have the same priorities

Miriam Kennet:
- We focus on countries’ needs, but the needs are different in every country. Perhaps we should focus more on the general structure/process of NCQG

Charlene Watson:
- Are we just talking about finance or are we also talking about capacity and technology transfer?
- what is the best way/the right metrics to measure whether finance is reaching those who need it the most?

Jo Ann Eala:

- we are a private bank so we can only do so much. We can only invest in profitable projects because that is the only thing that is sustainable for us. We have to make sure that projects are technically viable and successful

Gabriela Batter:

- Climate change is the biggest market failure we know. We need the private capital and we need to channel it in a way that addresses the problem. We certainly also need an element in the NCQG that relates to 2.1c

Facilitator:

- How do we enhance the floor of climate finance to developing countries. If the current system only provides a fraction of what is needed then we are way off and we need to be open in terms of how we address this issue. This is going to be a complicated process between public and private actors

Date: 7/9 Day II

Recap from Day I: What have we heard/ learned? What would we like to know more about? Overview of the focus of Day II
Moderator:Federica Fricano and Kishan Kumarsingh, co-chairs of the ad hoc work programme on the NCQG
David McCauley, Senior Climate Finance Consultant

Note taker(s): Diana Elhard

SESSION 3: Needs and priorities in the context of setting the NCQG (scene-setting)
This session discusses how the needs and priorities of developing countries identified during Day I can inform the setting of the NCQG. In particular, participants will identify how the scope, scale, composition and characteristics of the needs and priorities of developing countries can inform the goal.

Scene-setting presenter:
Sandra Guzman, Climate Finance Group of Latin America and the Caribbean
Luis Miguel Galindo, Universidad Nacional Autónoma de México, Presentation
Questions and answers
Moderator: Richard Muyungi,bio Tanzania

Note taker(s): Diana Elhard

13:00-14:00 REPORT BACK of breakout group discussions 3 (on needs and priorities in the context of setting the NCQG)

Note taker(s): Clara Gurresø

Feedback from groups:

Presenter:

Mitigation:

- The goal should be based around a just transition, it should be adapted to geographical context, it should evolve over time, there should be a review process to assess the evolving goal, the global efforts must be seen in the context of transformational change of financial flows, must be seen in the light of art. 2.1c, the goal must be science-based
- Challenges: difficult to know all the investments now, how to deal with the question of shifting fossil fuels in developing countries and how do you address lost revenues associated with that shift, opportunity costs (esp. needs in private sector, investment in resilience)
- they talked about innovation solutions, the guidelines that need to be set for private sector engagement, leakages
- discussed ideal scenario vs. basic needs

Means of implementation:

- Goal should be able to capture all needs and have equal focus on mitigation and adaptation
- must include a timeline
- consider both qualitative and quantitative aspects
- must consider GST and GGA
- we can't have all the numbers today but we should be able to add them at a later stage
- must be a mechanism for the most vulnerable
- need to take stock of lessons learned from previous processes
- looked at how the goal should be incentivised by research, incl. exploratory research

Adaptation

- Diverging views on the quantity. Some said we can't talk about quantity yet because the methodology is not there (need to talk about which sectors can actually be quantified)
- Sectors that are important to focus on are agriculture, water and cross-cutting benefits from various sectors
- looked at resources, thought it was important that the numbers should not be science-based due to lack of clear data
- Need to ensure that the process is complementary, mitigation goal must be informed by the GGA
- Re. Quality: talked about how finance flows are used to achieve impact. the goal should be both quali and quanti assessed
- in terms of composition: discussed need to enhance early-warning systems, L&D

- Structure: the goal can be structured according to regions, means of implementation etc.
- need to avoid narrowing instruments which could be considered a challenge to other countries

Mamadou
- there should be a complementary report from the secretariat to complement what you summarised
- we won't be able to solve everything by 2024. Lets try to go slowly, take our time, and plan every 5 or 10 years to see what we can achieve. Lets treat the NCQG as a learning process and also a process where we achieve some outcomes

Ahmed (saudi arabia) (adaptation group):
- we had diverging views on quantity. some could not talk about quantity now because of lack of methodology to measure impact etc. Others said quantity was very important in order to emphasise that there is a finance gap
- discussion about timeline
- interesting discussion on importance of having principles (eg. importance of effectiveness) and guidelines to structure the conversation. there is a need for a structured discussion around the scope asap

***14:00-15:30 SESSION 4: Experiences* in translating needs and priorities into national finance strategies and investment plans**

Note taker(s): Clara Gurresø

Ahmed Al Qabany (World Bank, https://unfccc.int/sites/default/files/resource/Ahmed%20Al%20Qabany.pdf):
- financial flows to adap are not as high as to mitigation. Want to focus on the missing link. Mit is top-down, adap is bottom-up. Issue for adap that NDCs are not costed properly (don't have investment plans). Sometimes we see estimates for adap but these goals cannot come from WB or private sector alone. We need to break down those goals into what can come from blended finance, concessional finance, commercial basis etc. When we set the targets we need to be sure at the country level about what we need from private, public sector etc.
- Our climate plans and environmental plans are coming out, encourage everyone to look at them. They are country reports, show how we can get to resilient and low-carbon societies

Meenakshi Raman (Third World Network, https://unfccc.int/sites/default/files/resource/Meenakshi%20Raman.pdf)
- If you deep dive into a topic that you don't know you will drown
- Our question should be "from what to what next?"
- if you go to UNFCCC NAP portal you will see 35 NAPs, incl. sectoral NAPs. There are all these NAPs that have already been done and more are being worked on. Converting what is in the NAPs into real action will require finance. We need to recognise that that is not automatic. We invested so much into making the NAPs and then there is no money to implement them
- Re. tech need assessments. Countries have gone to the GEF and are waiting on how to convert their assessments into something that is fundable
- For me the challenge is how much do we need to deep-dive before we arrive at a goal

- the goal has to be built from the needs and priorities, so then the question is how can these be implementable
- How do we get the NCQG to a level that ensures that more ambition can come? (what's next)

Rochelle Newbold (Bahamas)
- how can we use what we have to enhance. In Bahamas we are the first country to sell blue carbon on the carbon market. We engage the private sector and the financial market. The credits will allow the government to tap into a new source of revenue to benefit the people in Bahamas. Not suggesting this is the solution for all

Ahmed:
- We need the overall numbers but in order to implement the goal we need to break the numbers down

Facilitator:
- many questions on how to engage the private sector on adapt because there is a big potential for loss. Is that what you're trying to look at in your reports?

Ahmed:
- We always consider the vulnerability context. We are meeting our adaptation goal of 50%
- Private sector can build eg. energy infrastructure. When you do the climate risk assessments and you build parts that can create revenue, that is where you bring in private sector. That is a simple example on how we do it

Meenakshi:
- many of us still need to be convinced of the private sector's role
- in response to our colleague from Bahamas: coming from civil society we have big concerns. What is carbon credits for? If the private sector is coming in to offset its own emissions that is climate finance, that is double-counting. Need to question who's needs and priorities we are trying to solve

Rochelle:
- Regardless of who's needs and priorities we talk about we are still on the frontline. For us it is about ensuring that we put in place the necessary stopgaps for the people who are trying to do good
- for us the 1.5 is about staying alive. We are not going to contribute to a 1.7 or 2.0 because then we have sold ourselves. We have no intentions of repeating our colonial past. We are trying to create a sustainable future for ourselves so it is in our interest. We will not compromise our existence for short-term gains

?? (Barbados):
- A lot of what we're talking about here is mitigation and not adaptation. Energy sector, carbon sequestration is mitigation territory.
- Necessary to understand differences within regions. Eg. Bahamas and Barbados are very different. Barbados has very different circumstances, we don't have large sea-grass beds so blue carbon is not a financing option for us

?? (Kenya?):
- we need to catalyse urgent and scaled-up finance than can be injected into our economies and societies to enhance resilience and the transformation that we are talking about. How do we structure the goal in a way that it can catalyse this? What can we do in this multilateral process?

??:
- Question for Meenakshi: you mentioned all the NAPs, is that a functional system? IS the amount the GCF is giving sufficient? are the numbers a sign of success because they're there or failure because there are not more?

??:
- Re. Ahmed's point on financing plans (breaking down the costs): would be interested in your reactions to that statement. Is this something that can bring us forward? Do you see any benefits from such plans?

?? (Australia?):
- Interested in your views on how we can adequately reflect adaptation needs (incl. non-quantifiable) in the goal

??:
- We have traditionally been taking a step-by-step approach (trying to identify the needs and then prepare countries to assess those needs, and after that we take action on specific needs. So it's a three-step goal). How can the new goal address the challenges of this three-step process and fast track how it is delivered?

Dominik (UK):
- feeling that NAPs and adcoms are underfunded. Coordination efforts for investment plans are emerging but there is a sense of urgency. Perhaps it is not happening fast enough. Need to consider how we can think about needs in a way that is immediately financeable. This is the kind of partnerships that we are working on
- there is a question on public and private actors. Important to have a conversation on whether private finance can actually be part of adaptation. recognise that a lot of adap projects are not profitable but in some projects private sector can be involved. some examples that the UK is involved in: eg. resilience bonds. So the private sector should still be at the table in these discussions
- our job this week is to think about how it links back to the goal and UNFCCC's role in this. How can the goal signal a partnership approach? Is there a way that we can have the private actors around the table earlier on in the process, involved in writing the NAPs (but they should still be country-driven) in order to make the process faster and get the money flowing

Meenakshi:
- we don't need to wait for a global goal before we can fast-track this. Important to have a conversation with the GCF
- Second replenishment of GCF is happening now, how do we get more money to GCF for these things?
- everyone is so interested in the carbon markets but there is another market for matching needs (the partnerships)
- On the NAPs, i was very intrigued by the numbers too. The NAP is not a solution, it is just a tool. You invest in the entire process with multi-stakeholder consultations etc. That effort should not be wasted. We should not repeat the NAPAs (countries wrote them but never got money to implement them)

Rochelle:
- re. how to meet the goals of the NCQG: we are the ones getting in our own way. It is our job to define what that is and the last days we have been going back and forth. Our colleague from Saudi Arabia is constantly trying to reopen and reframe

what we have already agreed to. We are constantly tripping over ourselves. Most of us already know how far we can go. We know how much we want to ask for/how much we can give. Necessity is the mother of invention. There is value in these negotiations but by the time we figure it out some of us will not be here to find out what was decided.
- Bahamas can't go to the World Bank because we are considered too rich. As a small country our capacity is limited.

Meenakshi:
- we do not promote debt-for-nature swaps because it does not get rid of the debt. It just shifts the debt. There is also a lot of private sector debt, often driving countries into problems. There are no mechanisms to solve that because it is private sector. It affects your credit rating and companies don't want to move to your country

Xing Zhang (AIIB):
- we believe the fundamental bottleneck preventing private sectors participation is the mis-concept treating adaptation always as a cost and no means as benefits. The belief "physical climate risks are financial risks" is not reflected in the financial model for decision making. To the challenge concept, AIIB, working with partners, is trying to develop/pilot new ideas/products for both public and private sectors.

15:30- 17:30 BREAKOUT GROUP DISCUSSIONS 4:

Note taker(s): Clara Gurresø

Gabriela:
- have the 100 billion triggered the assurance that's necessary for countries to publish ambitious NDCs. It's a chicken and the egg discussion whether we finance or ambition first

Mahlet Eyassu:
- knowing that there is money in the fund encourages countries to come up with plans

Charlene (ODI):
- could we support countries in finding out what type of contingency funding they need? could the NCQG potentially help with that and be less project-based

Gabriela:
- Charlene's question is interesting and that exists in the biodiversity space
- we have some readiness in GCF and something in GEF but of course that could be something to consider if we want to have a subcomponent in the goal to think about strategy. It would be a completely different way to think about the goal but it is interesting

Bertha Argueta:
- there should be space i the NCQg for more broad topics eg. mainstreaming climate change etc. but it distracts from the point here which is finance from developed to developing countries
- We are just adding more requirements and things to this goal and it can drag on forever if we expect proper methodology. Everything can have a space in the NCQG but we need to distinguish between the two things

Gabriela:
- we need to think about what developed countries can do in order for developing countries to better access their finance
- every little fond has its own application process even though its the same countries sitting around the table. Could the goal say that by xx all the policies need to be harmonised?

Jan Kowalzig:
- The goal could not just be about reaching a number but also about addressing the access issue. Access is not only about capacity, it could also be political. Eg. if Germany provides 4 billion climate finance per year, mostly through bilateral aid, most of it goes to countries that are already on our priority list. That is also an access issue. I know this is a very political issue so I'm not suggesting we focus on that, but I'm saying that maybe we should not only focus on harmonising multilateral funding

Gabriela:
- feedback to the secretariat that the questions are too complex
- the access issue is very technical. We don't have political agreement that this is an issue that we need to address

How can the NCQG provide a framing that incentivizes the mobilization of climate finance required to address the needs and priorities of developing countries and achieve the long-term goals of the Paris Agreement, including making climate finance flows consistent with a pathway towards low GHG emissions and climate-resilient development?

Gabriela:
- We need onion layers in the design of the goal

Jan Kowalzig:
- we have to be very clear about who (which actor) is expected to contribute to which aspect / layer of the goal and how

Samantha Heidack:
- Yes, Scope, roles,definitions, interfaces and time scheduling

Hendrikje Reich:

Key messages:
- Access is a topic, perhaps a subgroup
- we need to be clear about what we're talking about, who are the actors involved, at what level etc.
- break down the funding needs -and make them more easy to action with speed where they are needed
- more coordination in the mobilisation of climate finance. more transparency in the reporting of climate finance
- so we can divert political questions to the political high level dialogues so we can divert political questions to the political high level dialogues
- look outside of the box, look to how things are done in the biodiversity sector

Iskander Erzini:
- one item for further discussion is the link between incentivizing mobilization and NCQG framing encouraging financing strategies by potentially establishing targets for grant finance for technical assistance on developing country financing

strategies and other work to establish needs and how to translate them to action. Very high impact, tackling data gaps as flagged in the NDA exercise.

Diana Elhard:
- one thing brought up and not yet repeated here is the point about clarifying the TED process (the link between TEd3 and TED4 was nice to know ahead of time!) & questions. I think that would help to facilitate conversation if we are all on the same page in terms of understanding what a question is really asking from the beginning of a meeting/breakout

Oday Haddawee (Iraq):
- we need to raise our capacity to attract the private sector

Date: 8/9 Day III

Session: Recap from Day II - What have we heard? What would we like to know more about? Overview of the focus of Day III
Moderator: Federica Fricano and Kishan Kumarsingh, co-chairs of the ad hoc work programme on the NCQG
Richard Muyungi, Tanzania

Note taker(s): Diana Elhard

SESSION 5: The role of public and private finance in mobilizing and delivering climate finance (scene setting)
This session discusses the roles of public and private finance actors in the mobilization and delivery of climate finance. More specifically, this session will reflect on the thematic areas that public and private finance is flowing to and the sources and instruments. It will also consider climate finance flows, taking into account the needs and priorities of developing countries, and which finance flows are consistent with a pathway towards low greenhouse gas emissions and climate resilient development.

Scene-setting presenter:
Benedict Libanda, Environmental Investment Fund
Eunjoo Park-Minc, Banco de Oro (virtual)
Questions and answers
Moderator: Margaret-Ann Splawn, Climate Markets & Investment Association

Note taker(s): Diana Elhard

13:00-14:00 REPORT BACK of breakout group session 5.1(a)

Note taker(s): Clara Gurresø

Presenter:

- Mobilising finance is about public finance. Developed countries need to be accountable.

Instruments of implementation:

- Grants might be written into the NCQG
- going forward we need also to track equity, insurance etc.
- highly political discussion re. should there be a third thematic of L&D
- instruments should be context and sector specific. Eg. for adaptation grants are more appropriate
- re. translating NCQG into instruments: discussion on impact, access etc., esp. on what is impact and how is it measured. Again there was a discussion on grants and that SIDS, LDCs need to be supported
- talked about data gaps. You can't count what you can't measure, both for developed and developing countries. How can we move forward and make informed decisions without data? The reporting is not mandatory so there is a systems data gap.
- There is a lot of talk about forestry, but there is also a lot to be done with results-based payments in eg. oceans
- miscommunication between private and public sector around the 100 billion goal. The private sector feel a connection to the paris agreement, but not to the 100 billion goal. if you want private sector involved then we (private sec) have to know what we're working towards

14:00-15:30 SESSION 5.2: Financing Strategies in the context of the NCQG

Note taker(s): Clara Gurresø

Adam Daniel Cotter (DZ Bank, Germany):

- ethical investment is at the heart of everything we do. We have Paris aligned targets across the group
- Comments are my own, not the bank's
- we are at the mercy of regulators and central banks. This is a key focus area to enable us to engage in this type of finance projects
- we like to work with development banks. Dev banks are intermediaries between public and private sectors
- dev banks also play a role in regionalisation. There are so many nuances in projects and financial markets, there cannot be one approach to it. But we can find regional patterns

Manja Vidic (United Nations Office for the Coordination of Humanitarian Affairs)

- We work on coordination and humanitarian financing. I want to focus on the latter now. A lot of humanitarian finance today goes to natural disasters, which are becoming more common due to climate change, so there are a lot of commonalities
- the humanitarian pool funds (grants) which we manage are the fastest and most flexible in responding to natural disasters
- UN-CERF: 26% goes to climate related disasters
- also have in specific countries country-based pool funds

- these humanitarian funds reach the most vulnerable communities in the most vulnerable countries (Afghanistan, Syria, Yemen, Bangladesh etc.). We can release the funds very fast, dowo to 4 hours after the event
- a lot of this funding needs to be picked up by countries. We also need multi-sector coordination
- We have different multilateral funds working on the same things, it would help the access issue if the multilateral funds coordinated better

Daouda Ben Oumar Ndiaye (Islamic Development Bank, https://unfccc.int/sites/default/files/resource/Daouda%20Ndiaye.pdf)
- MDBs made commitment that they would fund more adaptation and in 2021 we already reached that goal. But it is still too small a share
- As MDBs we have focused on new instruments and advisory services that can help commercial institutions to find out where they have opportunities to invest in adaptation
- there is a greater focus on bonds, in islamic finance we have “sucuk?” which is an islamic bond
- We have as MDBs two forms of investment: adapting (just focusing on making investments resilient), and enabling (going beyond just the project, addressing systemic issues)

Zarak Khan (Pacific Islands Forum Secretariat)
- we provide support for pacific island leaders on adaptation and mitigation
- some countries have established their own funds, but multilateral funds are hesitant to channel money through this instruments
- we have to ensure that we utilise national systems
- several pacific states have explored innovative ways to obtain financial resources, eg. Niue selling marine credits
- we have published research papers demystifying green, blue and sustainable marine bonds
- we also explore debt-for-nature swaps
- in the pacific regional there is a huge gap between available climate finance and needs
- pacific islands should not be burdened with further future debt repayments, climate finance should be grants based

??:
- @Manja: what are the challenges/barriers keeping contributors from providing more finance?
- @Daouda: if we wanted to create an environment that motivated you to contribute more, what should we do?

??:
- @DZ: could you explain what are the aspects of the investment environment on adaptation in SEA that you have been able to work with? Eg. particular innovations

??:
- in the event of a natural disaster does your fund cover damage to infrastructure and national assets too?

Manja Vidic:
- Biggest contributors to CERF are European countries, US, Japan, South Korea. The humanitarian budgets are growing

- A challenge is that donor governments have their own internal struggles, priorities etc.
- CERF funds life-saving needs, not infrastructure. Within that we focus on the most vulnerable people, eg. people living below the poverty line, elderly, single-headed households. There are other funding mechanisms that look at infrastructure and national assets

Adam Cotter:
- As long as a project is bankable we will be interested
- we know that we have a pivotal role to play in the transformation but we also have risks and costs that we have to bear
- We can't invest in what you can't measure. That's why lack of data is a big barrier for us. There are some initiatives trying to address this, it is very important for us that you engage with those in your NDCs etc

??
- @Douda: what insights can you share on risk and burden sharing between private and public sector?

Douda
- UNFCCC was involved in setting up the NDC partnership. The partnership has been a good facilitating body for coordinating support for NDC implementation in countries, both on mitigation and adaptation. Eg. there was request from Uganda on setting up the enabling environment for green bonds: UNFCCC is well equipped to play the role as facilitator
- another thing is gathering countries at the regional level and showcasing bankable projects and having MDBs and private sector being available. I think that is also a role that the UNFCCC could play, and they are already playing it. That is what us MDbs are looking for: bankable projects, and understanding from countries that we can finance their adaptation needs
- we have instruments that can help de-risk and make the private sector more eager to invest in adaptation. By having instruments like that in place from MDBs and other instruments like insurance it would help in de-risking investment from private sector. Putting concessional finance available would also help private sector. But first and foremost you need bankable projects and reliable climate data

Adam Cotter:
- the transition is going to bring in a lot of costs and risks and there will be a lot of brown assets that financial institutions want to offload. Could MDBs play a role in absorbing these?

Douda:
- the banks are now looking at all those aspects of risk management and absorbing existing from other investments

Samantha Heidack:
- I see that we will implement an enabling Distribution and renovation tool which provides easy Access to multidiversely mixed Funding. It provides stable Bottom line Framework for clear scope and Sub goals, rules and limitations and clearly defined Terms and mechanism - (no Detail but direction; COMMON Ground understanding). It works on- and offline, Secure and accessible without being able to read or write
- To the bank specialist ion paneL: How do established Banks practice know how sharing and crop out Fresh local stand alone Banking and Financing structures?

Bertha Argueta:

- when we talk about blended finance we talk about diminishing the risk for the private sector. But that just means transferring the risk to the public sector in developing countries. Private sector only cares about making a profit, impact is not their priority. So how do we talk about transferring burdens to the public sector without any guarantee that there will be any impacts of the projects?

Adam Cotter:

- as banks we do not have mandates to take on risk. Without agreed ways to measure risk we cannot take it on. MDBs can play an intermediary role in this until we come to an agreement on how to measure that risk

Daouda:

- risks have to be distributed fairly, not 100% to private or public sector
- we are a dev bank and serve the countries so we would never reject any request from countries when it comes to submitting climate projects. Dev banks and climate funds are two different players. Our clients are the governments and we support them if we receive requests

Manja Vidic:

- climate finance for humanitarian affairs show that we failed. 8 of the 10 costliest typhoons occurred in the last 10 years so there are certain trends. Either that or governments request more support

15:30-17:30 BREAKOUT GROUP DISCUSSIONS 5.1(b): The role of public finance in the context of the NCQG

Note taker(s): Clara Gurresø

Jan Kowalzig:

- re. first question: it is not clear so far what the legal framework/embedding of the goal/commitments are. The question then is, is everything that is going to be contribute towards the NCQG contributions towards the commitments? And are there then criteria to be met in order to meet the obligations under the convention? And would that tell us what kind of commitments we want under the NCQG? There is a weak link under 2.1c but there isn't anything on arti. 9. We should explore how thi scan be done in a way that helps everyone

Gabriela:

- legally it is linked under art. 9.3. I don't think there will be a debate whether 9.1 and 9.2 will also be covered. But 9.3 ("global effort with developed parties taking the lead") refers to this

Hendrikje Reich:

- the question is on how to allocate funds. That is how i read the focus. This goes back to what guidelines are used to allocate funds. It is the role of the goal to show us what areas to focus on

Bertha:

- i understood the question more as how to learn from past experiences

Jan Kowalzig:
- i maintain my point that it would be useful to clarify the legal embedding. It is not necessarily linked to 9.1 and 9.2. I don't have the solution but we need to clarify the link between the various points under art. 9. We should not take the link for granted

Gabriela:
- Agreed with Jan. I thought you implied that there was no legal anchor

Gabriela:
- An ambitious goal helps me domestically (in Switzerland) to get additional funding approved. But i also have to say that depending on how we frame it and how large it is also matters. If it is absurdly high then every parliamentarian in Switzerland will be against it. if it is a realistic goal then it helps build political support in parliament. So we need a realistic goal. If it's a broad contributor space that also helps and helps have higher ambition. Have different layers and make it clear who contributes to which layer, that will help us drive more ambition

Hendrikje Reich:
- definitely helps to have goal. There is a competition among states so everyone wants to do their fair share. If we are in a positive upwards spiral then it helps to drive ambition. Also helps to be very clear on where we are and what we're doing
- Clarity is helpful
- we also need to engage the parliaments, where we are, where the international discussions are at

Jan:
- all countries would argue that they are doing their fair share. So it will be challenging to convince them that they are not. I have had so many push backs from developed countries saying "why should we increase? someone else should increase first". This finger pointing is not helpful.
- Re. Gabriela's point about incl. other contributors. We should make it clear whether both 9.1 and 9.2 count towards the goal.
- Re. her point about too high a goal and parliamentarian support: we have to strike a balance betw. a realistically achievable goal and on the other hand doing climate justice some service. The NCQG should not be phrased as the ceiling of what can happen.
- We have heard a few times that having the goal helps push developed countries into certain directions. Then you may think it might also help to revisit the idea of subgoals. If we had had a subgoal on adaptation it would have helped. Maybe we can incl. it as a subgoal of the new goal from the beginning instead of having political discussions on it later down the line

Michai Robertson:
- How is that factored into making sure the NCQG represent something that the politicians can say fulfills their political mandate of supporting developing countries?

Outi Honkatukia:
- The Finnish parliament votes on the budget in December and until then everything is very uncertain. The EU is one place where you can give that kind of certainty because of their 7 year commitments

- The new goal needs to be credible in order for us to be able to finance it and argue for it domestically. It is much easier for us to argue for the funding when we can say that it is a global effort and others are chipping in too, not just the traditional donors

Chao Feng:
- we did not meet the 100 billion goal by 2020, when we talk about the new goal we need to involve everyone. If you cannot fulfill your commitment, how can you talk about a new goal?

Michai:
- summary:
- discussion on making and giving general encouragement
- how do we unpack the concept of global effort, what is recommendations and what is obligations. There is not interest in amended the convention to raise the obligations. This is linked to how NCQG can enhance support
- How do you operationalise this conversation rather than just theoretically understanding it?

Gabriela:
- re. the legal anchoring, maybe that is why the goal only references 9.3 and does not mention 9.1 and 9.2, because that gives it some fluffiness
- we will never get consent on trying to assess how much everyone should contribute. Switzerland does try to assess their contributions but not all countries do that. And a lot of countries would probably disagree with the formula that we use for our assessment
- Re. clarity on the subgoals: don't let the perfect be the enemy of the good. There is a certain amount of subgoals that might help and might help us target the actual needs of developing countries. But if we have too many subgoals, eg. regional and instrument, that would be hampering. Because then on the planning side with our partner countries we would have to meet certain quotas on what projects we do

Fiona Ralph (ireland)
- the annual vs. multi-annual budget commitments, a certain amount of goodwill is necessary
- need to increase transparency on what you're reporting on
- agree that we should not get bugged down with too many subgoals, should focus on the most important ones

Hendrikje Reich (Germany):
- Governments like flexibility, so subgoals are good as long as they do not get too complex
- On burden-sharing, we do have policy papers out and they do have an impact. Governments react to them. Sometimes there are problems we are not able to solve in here but we have other instruments to solve them with
- First there are political announcements re. commitments and then we work it into the budget. It takes some time and you need to work with all the ministries and NGOs etc. It's a whole system working together to try to solve it. If we agree on a goal in 2024 then we will need time to deliver on it

Jan:
- the thing about setting an ambitious goal and the goldilocks discussion, new pledges may also create an incentive to get more creative in your accounting just

to get to a certain numbers. Therefore, maybe it is also helpful once you set a goal to also clarify what is counted and what is not.
- We also need to consider accountability. If we count both public and private contributions towards the goal then governments can say that it is not their responsibility if the goal is not met. You can say that we look at it in terms of public efforts going towards mobilising, so that responsibility is still on governments

Charlene Watson:
- reflection on what we did with the independent aid coalition in the UK. Shows how processes can change. We need to think about how to reform other public finance to make it paris aligned

Gabriela:
- Switzerland has similar process, every project has to go through a screening mechanism of how it contributes towards Paris goals

Mahlet Eyassu:
- very helpful to have national strategies and goals, it helps mobilise resources nationally and internationally

Gabriela:
- we identified that national policies is an information gap. We need to know what kind of policies actually drive resource mobilisation in developing countries. There are very few studies on it

Outi:
- what is the role of public policies in general? Our ministers of finance are key. They can provide incentives for catalysing finance, putting taxes in place
- We also need a wider enabling environment

Bertha:
- we never reached a discussion on the just transition. If we're going to Paris alignment and we move from country obligations to something more broad, this will have impacts in developing countries. What's the general feeling of public finance in the just transition and how it bridges everyone contributing to flows? How do developed countries see their role in the just transition?

Samantha:
- Picking up on lessons learned, there are a lot of policies that run counter to our aim that should be abolished
- Tourism is important for all areas, but how do we make that climate-friendly. That is a big challenge but there are a lot of good initiatives already

Jan:
- When it comes to public finance, making finance flows consistent etc, subsidies are policies that run counter to this. This is something we could address

Samantha:
- erasing subsidies can be very harmful to society on the bottom-line so it needs to be done sensitively and sustainably

Gabriela:
- various elements to how you can design policies that are aligned with 2.1c. Our carbon levy actually helps the poorer in society

- Summary:
- aspect of whether the goal facilitates multi annual commitments and ambition. How do we meet the sweet spot between ambition and being realistic
- subgoals are useful but if there are too many it becomes difficult to comply

Samantha:
- There is a big struggle going on globally on what is the best approach to legal adaptation. This is something initial to think about: how will you perceive the legal bottom line? From the perspective of civil law or common law. Important to have common ground for legal analysis

Date: 9/9 Day IV

09.00-10.45 BREAKOUT GROUP DISCUSSION 5.1(c): The role of private actors, sources and instruments in the NCQG

Questions: What is the role of the private sector in climate finance mobilization and deployment? How has this role played out in the context of responding to the needs of developing countries? What have been the challenges?
Which private finance instruments have been used to provide climate finance? How can these instruments be reflected in the NCQG for each thematic area?
What is the context of the NCQG in relation to the nexus between innovation in technology and climate finance to meet the goals of the Paris Agreement, and how can the private sector be engaged in those discussions and deployment of technologies?

Note taker(s): Diana Elhard

10.45 - 12.15 SESSION 6: Public-private engagements to chart the way forward
EXPERT INPUT ROUNDTABLE:
This roundtable will bring together expert representatives from the public and private sector, think tanks and civil society in an interactive setting to reflect on the roles of public and private finance in the context of the NCQG. It will also identify opportunities for continued engagement in the NCQG process, against the backdrop of the discussions in the previous days of the dialogue.

Expert Input Roundtable Group 1 (Mitigation):
Albert Altarejos Magalang, Department of Environment and Natural Resources
Anjali Viswamohanan, Asian Investors Group on Climate Change (virtual)
Angela Consuelo Ibay, WWF Philippines
Moderator: Margaret-Ann Splawn, Climate Markets & Investment Association

Note taker(s): Diana Elhard

13:15-15:15: BREAKOUT GROUP DISCUSSIONS 5.1(d): The role of private finance in the context of NCQG

Note taker(s): Clara Gurresø

- **What are the needs and requirements of the private sector in the provision of climate finance, including to respond to the needs and priorities of developing countries?**
- **What do Parties need to do to facilitate these needs/requirements?**

??:
- the private sector uses lack of data as an excuse not to take action

Outi:
- data is important but we already know where we're heading. We do not need data to pull out of fossil fuels.

Bertha Argueta (GermanWatch)
- we should change the logic of the private sector so that they internalise the damage of their actions. The core of the problem is that the market is not working. How could the NCQG address the real issue which is that the private sector needs to change many things through regulation?

Gabriela:
- i don't think profitability is a problem, it is a part of sustainability. I would argue for making brown more expensive rather than making green cheaper. We have to create policies that make our aims more attractive to invest in

Jo Ann Eala:
- economic gains help the communities that the project is in

Gary Theseira:
- re. second question: different parties will have very different needs and requirements and the NCQG has to recognise these stark differences

Gabriela:
- in switzerland we're have the "swiss climate score". It's 6 key metrics which we require companies to report on on each of their investments. It's a pathway element, it tells you which degree pathway your investment is on. It's about common metrics, transparency, request for disclosure. The climate score is voluntary but it is a first step until parliament is ready to move towards stronger regulation

Bertha:
- the private sector is very heterogeneous and we won't fit it all into the NCQG. You can think about them contributing to the goal or just to realign flows

Gigi Merilo:
- Just wondering if the private/finance sector to participate in the negotiations or in any climate change-related forum or summit to facilitate understanding of the current climate finance discussion with the end in view of developing standards,

procedures, methodologies, tools, etc. in mobilizing resources and facilitating access to funds by developing countries

Gabriela:
- I agree with the previous points. Would support more private sector and NGO actors to participate in the technical dialogues to better integrate their views

Hendrikje Reich:
- for that we need to have the agenda out on time, check on those and get people actively invited

Diana Elhard:
- Private finance actors have their own tracks and are not aware of these sessions. There needs to be some way to figure out whether representatives of certain groups are going, beyond just inviting them

Gabriela:
- Fully agree with Diana and we have told the co-Chairs multiple times to engage with these other fora such as GFANZ, NGFS, G20 Sustainable Finance Working Group, etc

15:15-16:00 REPORT BACK background groups discussions 5.1(c) and 5.1(d)

Note taker(s): Clara Gurresø

Presenter: Wrap up of yesterday
- NCQG can channel future investments and should serve as guiding principles
- accountability should be mobilised via regulation. Should provide rules of the game and level the game for actors
- NCQG should be the sweet spot for ambition
- What is the anchor of the goal? 9.3, 9.1 or not at all?
- public finance enables and can provide direction to private finance but it requires clear frameworks

- Instruments:
- NCQG should list the instruments
- instruments are very context-specific, be mindful of the flexibility of utilising that

- Societies:
- transition risk, the changes in government could impact it
- should human rights be introduced in the NCQG?

Information dissemination:
- better articulation of all funds in place. What is available out there? Information gathering
- communication around data gathering and science-based targets

Natalia:
- the role of the private sector should be subsidiary, it should complement developing countries
- important to develop guidance within NCQG on how resources should flow to developing countries and private sector's role in this

- nee to build a bridge between private and public
- need incentives and institutional arrangement for the private sector
- not all countries have the enabling conditions in place
- some countries have created vulnerability assessments to understand how private sector and their profits will be impacted. Companies were able to use it to understand the impacts

Presenter:
- private sector has a role in research but there are not enough resources available for it. What is the role of NCQG in this