

UNCTAD-G77-TWN Workshop 2: Just Transition, Art. 2.1C and NCQG Development Priorities for a Climate-Resilient Financial System at COP28

The COP27 outcome made major strides in better connecting the climate regime with the broader context of global economic governance. The final text recognized that meeting climate goals “will require a transformation of the financial system and its structures and processes, engaging governments, central banks, commercial banks, institutional investors and other financial actors” (para 34, Sharm El-Sheikh Implementation Plan), making specific references to managing debt distress, reforming multilateral development banks, and scaling grant and concessional financing.

In this context, UNCTAD, the Group of 77 (G77) and Third World Network (TWN) are co-hosting two workshops for G77 country negotiators to support them ahead of COP28 across a range of financing challenges that have moved to the forefront of multilateral discussions, including in the climate arena.

The first workshop took place in the Dominican Republic on August 27, back-to-back with the Third Transitional Committee meeting on the operationalization of new funding arrangements for loss and damage.

Workshop 2, 29 September 2023: NCQG, Article 2.1C and Just Transition

Hotel Royal Manotel, Geneva

The second workshop will address the topics of the New Collective Quantified Goal on Climate Finance (NCQG), Just Transition and Article 2, paragraph 1(c) of the Paris Agreement. It will be informed by UNCTAD policy papers on each topic. The draft version of the papers will be shared with participants in advance of the workshop.

Tentative agenda

09:00 – 09.30	Plenary Opening
09:30 – 11.15	<p>Panel 1: Just Transition</p> <p>Parties at COP27 decided to establish a work programme on “just transition” and convene an annual ministerial roundtable as part of this process. Despite inclusion in the Paris Agreement, discussions around delivering a ‘just transition’ have tended to focus on national-level policy strategies. However, spillover effects of policy in advanced economies can have significant impact on the prospects of developing countries, including on efforts to mobilise domestic resources or their capacity to transition from fossil intensive energy systems and prioritise low-carbon development pathways.</p>
11.30 – 13.15	<p>Panel 2: Article 2.1C</p> <p>Article 2.1c of the Paris Agreement commits parties to: ‘Mak[e] finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development’. However, concerns have been raised that focusing only on Art 2.1c without sufficient attention to CBDR and developed country</p>



	<p>obligations on climate finance shifts the burden to developing countries to meet their own finance needs or adopt ill-suited regulations and conditionalities in order to access finance. By decision 1/CMA.4 para 68, Parties at COP28 decided to launch the Sharm el-Sheikh dialogue to exchange views on and enhance understanding of the scope of Article 2.1c and its complementarity with Article 9 of the Paris Agreement.</p>
13.15 – 14.15	<i>Lunch Break</i>
14.15 – 16.00	<p>Panel 3: New Collective Quantified Goal</p> <p>By 2025, the parties to the Paris Agreement decided that the Conference of the Parties (COP) shall set an NCQG from a floor of USD 100 billion per year, considering the needs and priorities of developing countries. Inside negotiations, the outcome text at COP27 recognised that adequate financing required a transformation of the financial system, and several Parties highlighted this ambition during the First High-Level Ministerial on the NCQG. These themes were echoed in political discussion outside negotiations, where a range of emerging reform proposals have been gaining traction, most notably at the recent Summit on a New Financial Pact.</p>
16.00	Closing remarks