

NCQG: Bringing accountability, trust and developing country needs to climate finance

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Publications



1. Key take aways on GST sectorial outcomes



1. Transitioning away from fossil fuels	2. 3X RE and 2X EE	3. Reducing emissions of road transport	4. Accelerating zero- and low-emission technologies	5. Halting and reverting deforestation
<p>Triple challenge of meeting growing energy demand and access , maintaining the stability of their economies with declining incomes while making parallel progress in replacing fossil fuels</p> <p>775 million people without electricity and around 2 billion lacking access to clean cooking fuels and equipment</p> <p>Oil production still</p>	<p>Disparities between regions in terms of installed capacity, investment, and resources (critical minerals). 90% of global RE capacity in G20</p> <p>\$12 trillion investment in the power system by 2030 to align with the 1.5°C, particularly needed in grid infrastructure</p> <p>Huge potential in the developing world for RE</p>	<p>Fastest growth rate in global transport in developing countries</p> <p>Challenges to connection, public transport systems and universal coverage .</p> <p>Important gap in transport infrastructure</p> <p>EV purchases in many EMDEs small in scale due to high financing and initial purchase costs compared to advanced economies.</p>	<p>CCS is is still the most expensive mitigation option with the least potential contribution to net emission reduction by 2030.</p> <p>Crucial as a complement of deep and rapid reductions in gross emissions in hard to abate sectors.</p>	<p>Large monocultures and livestock are the main deforestation drivers</p> <p>Illegal food products and land grabbing: major underlying drivers</p> <p>Redd+ as a good opportunity but with a fragmented finance governance</p> <p>Need for more comprehensive and systemic approaches and access to finance</p>

1. Key take aways on GST sectorial outcomes



6. Adaptation

The GGA and the GST adaptation sectoral targets: how much they cost and how to implement are the big questions.

1. water
2. food and agriculture
3. health
4. ecosystems and biodiversity
5. infrastructure and human settlements
6. poverty eradication and livelihoods
7. cultural heritage

Adequate implementation of the iterative policy adaptation cycle, to

assessing climate hazards
informing and implementing
NAPs (only 54)
establishing multihazard early
warning systems
developing systems of MEL
of national adaptation efforts

7. Loss and Damage

Estimated financial needs for loss and damage of USD 580 billion by 2030, USD up to 1 trillion by 2040 and up to USD 1.7 trillion by 2050 in developing countries.

Need for further development of information, monitoring, coherence with disaster risk reduction, humanitarian assistance and other areas.

2. Key takeaways on GST financial outcomes



1. Relationship between fiscal space and climate action

Constrained fiscal space and soaring levels of indebtedness and/or budget deficit and elevated costs of capital

80% of CF were loans with 90% of resources for mitigation and 60% for adaptation at market rate debt

Opportunity to address debt through a variety of instruments (grants, SDRs, policy based guarantees, debt management)

2. Overall needs of developing countries

Financial gap between needs and support provided: \$5.8–5.9 trillion for pre-2030: adaptation \$215–387 billion annually up until 2030; clean energy \$4.3 trillion per year until 2030, increasing thereafter to \$ 5 trillion per year up until 2050, to be able to reach net zero emissions by 2050

Recognition of scales in trillions and interconnected challenges

3. Innovative sources of funding

Specific potential for combined options that can reduce up to 34% of emissions:

carbon taxes, at the right price (USD 50–100 per tCO₂e) and

the reduction of harmful incentives, namely socially responsible reforms to fossil fuels subsidies that add up to USD 1 trillion

4. Climate Financial Disclosure and Management

First time a reference like this in a COP decision

Transparent communication of climate-related information, including aspects such as GHG emissions, exposure to climate risks (physical and transition), and strategies for climate change mitigation and adaptation

5. Reform of the international financial system

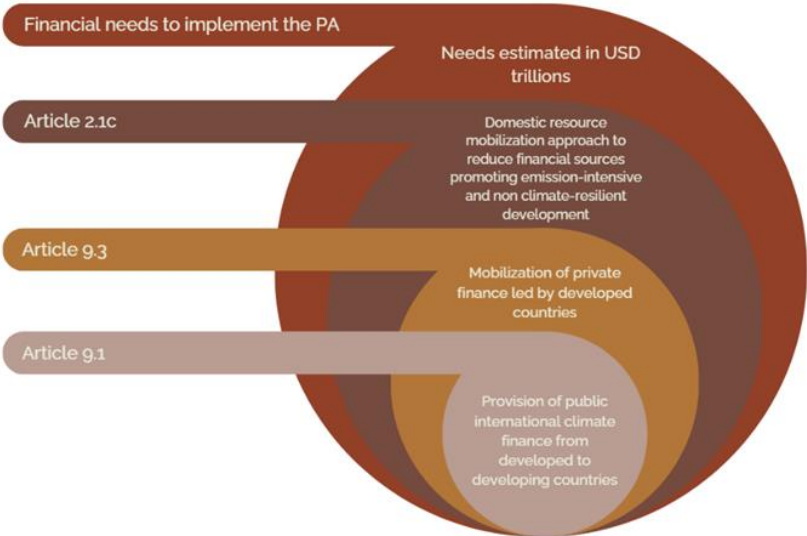
Contextual to NCQG with great potential to complement it

Slow but potential to pursue over USD 490 billion on SDRs and increased lending capacities (G20's recommendations)

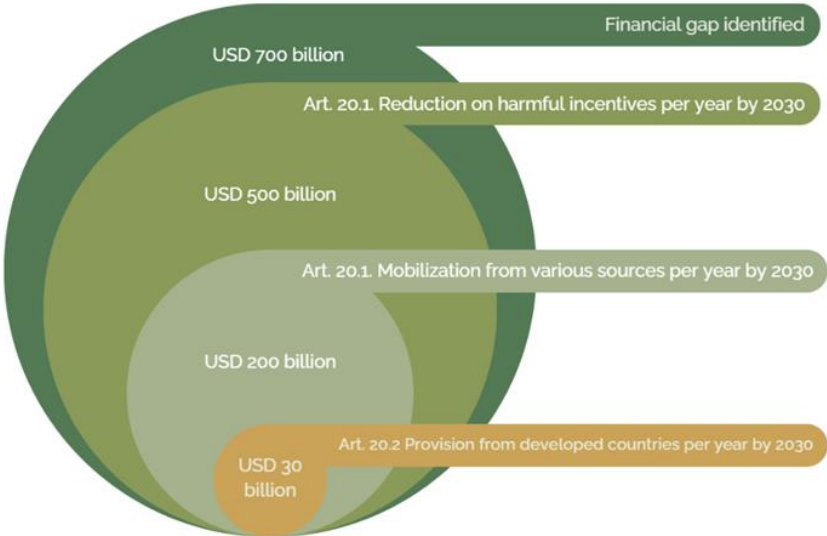
3. CBD Financial Targets and & NCQG potential structure



UNFCCC



CBD



4. Conclusions



The GST signals should be taken into account on strengthened or new NDCs and LTS

- NDCs aligned with the LTS and long term goals of the PA.
- Include GST systemic and cross-sectoral targets

The GST financial signals show that the NCQG is part of a vast ecosystem and will be complemented with a series of other actions and actors. Important hooks and potential to address some of these issues in the NCQG, as a continuation of the GST momentum. USD 100 billion is a really small amount to cover the type of challenges that derive from the GST.

The comparative analysis of the CBD provides insights on how organize the structure of the NCQG:

- The recognition of an average of the top ranges of biodiversity needs and the definition of a subset of these needs as the public international biodiversity goal can be a useful route to determine the NCQG quantum.
- The **conceptual equivalence between the CBD SBI report** as the most trustworthy source of estimation of needs and **the upcoming second SCF NDR** which could play that role if it is better aligned to needs for a 1.5°C transition and recent GST outcomes and challenges.
- The **strategic approach to combined resource mobilization of Targets 18 and 19 can inspire a mixture of several layers for the NCQG.**
- The inclusion of an array of complementary financial instruments to help pursue greater effectiveness, complementarity and potentiate their impact amongst different thematic areas and needs.
- The adoption of a **staggered timeframe which defines a 10-year operational time frame with five-year intermediate goals plus an indicative longer-term target (e.g. for 2040 and/or 2050).**

Thank you!



Perspectives of the Global South:

**WHAT DOES THE OUTCOME
OF THE FIRST GST
SIGNIFY FOR DEVELOPING
COUNTRIES AND FOR
THE NEGOTIATIONS
OF THE NCQG?**



Perspectives of the Global South on the NCQG:

**CAN THE CBD
FINANCIAL
TARGETS MODEL
BE REPLICATED
FOR THE UNFCCC
NEW CLIMATE
FINANCE GOAL?**



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Thank you

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