

Finance in the GST technical annex and high-level outcome at COP28

independent Global Stocktake, Finance Working Group TD1.3 submission

Finance in the GST technical annex and high-level outcome at COP28

independent Global Stocktake, Finance
Working Group TD1.3 submission



Acknowledgements

This submission was written by the Finance Working Group of the independent Global Stocktake. The submission was led by the co-chairs of the Finance Working Group, Charlene Watson (ODI) and Raju Pandit Chhetri (Prakriti Resources Centre). Finance Working Group members who have contributed and endorsed the submission are listed at the end of this submission.

While the views shared in this submission are supported by the members of the group, not every position reflects the views of every member or their institution. All errors and omissions remain those of the co-chairs of the Finance Working Group.

March 2023

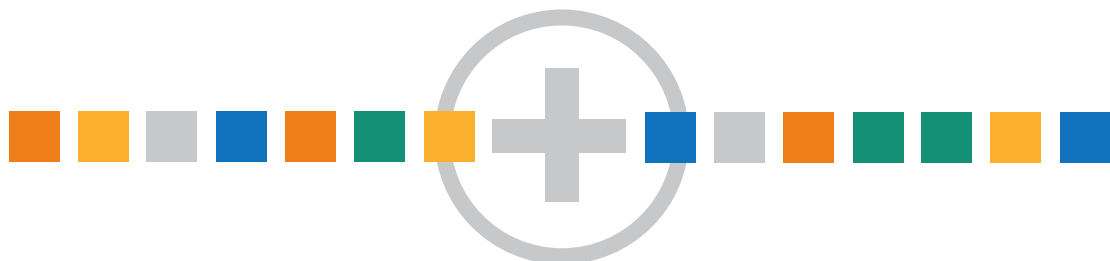
www.independentgst.org





Contents

Contents	3
+ 1. Introduction and framing	4
Figure 1 Framework elements of the FWG official GST TD1.3 submission and exemplary topics	5
+ 2. Problem statements, supporting evidence and opportunities for the GST to seek progress on finance themes	6
Table 1 Problem statements, supporting evidence and opportunities for the GST to seek progress on these challenges identified by the FWG of the iGST	6
+ 3. Key messages	27
+ References	30



+ 1. Introduction and framing



The Finance Working Group of the iGST¹ is an open partnership bringing together a range of expert perspectives from the global north and south on the progress made toward financing climate action in the context of the UNFCCC and Paris Agreement. This submission provides insights of Finance Working Group members about the broad set of issues relevant to ‘means of implementation and support’ in the GST and, specifically, to finance.

‘Finance’ as used by the Working Group encompasses two core, interrelated topics. It considers both the mobilisation and provision of support to developing countries to mitigate and adapt to climate change (including under Article 9 of the Paris Agreement), and the consistency of all finance flows with climate objectives (Article 2.1.c). Both the operationalisation of Article 2.1.c and the mobilisation and provision of climate finance from developed to developing countries are considered as they pertain to the pursuit of mitigation and adaptation goals of the Paris agreement (Article 2.1.a and 2.1.b) and ultimately, the objectives of the Convention: linking the nationally determined climate ambition of countries with financing needs, appropriate finance access and effective use of finance for climate action.

This FWG submission builds on the 2022 submission of the iGST² which included a number of problem statements for the GST related to means of implementation and support. This submission is based around a framework of **needs**, **access** and **implementation** of finance for climate action as outlined in Figure 1.

- The needs framing reflects a desire to meet the 1.5 degrees Celsius target of the Paris Agreement and global goal on adaptation, how that translates into needs and priorities of developing countries, both financial and otherwise, and in the mobilisation and provision of finance from developed countries.
- The access frame refers to the channels, processes and modalities that result in finance flows to climate action and ultimately adequate and predictable finance flows.
- The implementation frame considers the impact on mitigation, adaptation and loss and damage that finance is delivering, in pursuit of the Paris Agreement and Convention objectives, for whom and in light of equity, in addition to broader effectiveness criteria, the transparency and accountability of finance flows.

¹ The Independent Global Stocktake (iGST) is a consortium of civil society actors working together to support the GST. The iGST aligns the independent community – from modelers and analysts to campaigners and advocates – so we can push together for a robust GST that empowers countries to take greater climate action.

² Available on the submissions portal: <https://unfccc.int/sites/default/files/resource/202202271039---iGST%20Consolidated%20Submission%20for%20the%20First%20Technical%20Dialogue%20of%20GST1.pdf>

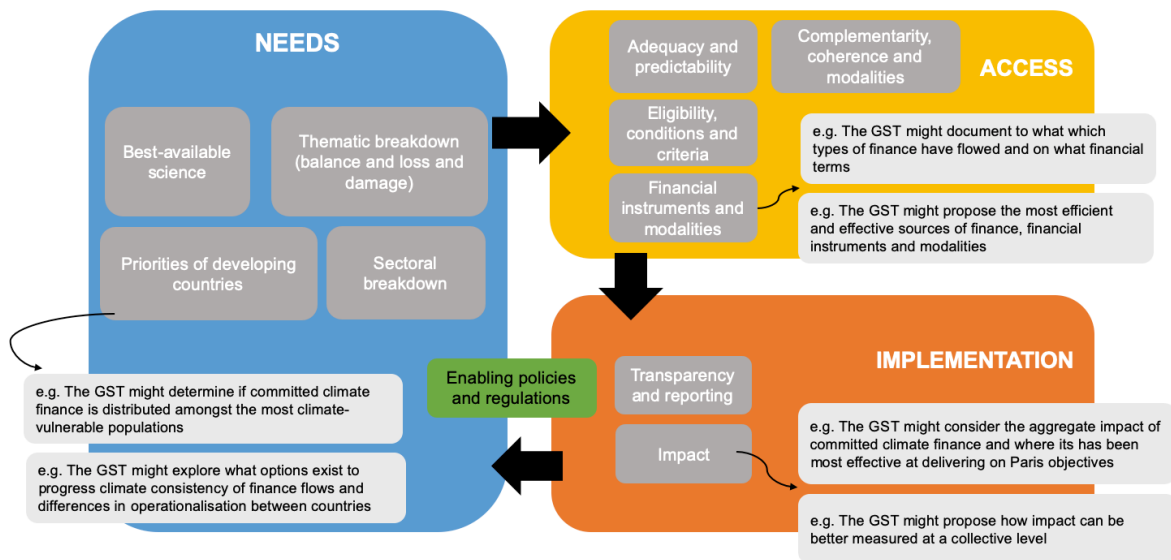
- These three frames are interlinked and underpinned by enabling policies and regulations, as well as capacities.

Understanding the existence of wide ranging interpretations from different actor groups, the framework is presented to be exemplary rather than exhaustive, and indicative rather than prescriptive in terms of the themes that may be considered under finance in the GST.

Mindful of the desire of the GST to increase climate ambition, shaping the next round of NDCs, the problem statements are both backward looking and forward looking, considering the current **state of play and directionality of change, lessons learnt and opportunities for future progress.**

Section 2 outlines thirteen problem statements raised by the FWG and indicating evidence and opportunities for the remaining stages of the GST to address challenges in financing climate action. The submission ends with a summary of key messages in Section 3.

Figure 1 Framework elements of the FWG official GST TD1.3 submission and exemplary topics



+ 2. Problem statements, supporting evidence and opportunities for the GST to seek progress on finance themes



Table 1 Problem statements, supporting evidence and opportunities for the GST to seek progress on these challenges identified by the FWG of the iGST

Finance framework area: Needs			
Problem Statement	State of play and direction of change	Implications of current state and lessons learnt	Opportunities for future progress
<p>Current volumes of climate finance are incommensurate with the needs of countries for a 1.5°C transition, particularly developing countries and (against the backdrop of limited available public financial means in developed markets) may continue to undermine trust in the intergovernmental process, in addition to preventing a timely transition</p>	<p>According to the Climate Policy Initiative (CPI) Global Landscape of Climate Finance, global total climate finance almost doubled in the last decade, with a cumulative USD 4.8 trillion in climate finance committed between 2011-2020 or USD 480 billion annual average; a cumulative average annual growth rate (CAGR) of 7%.</p> <p>Bloomberg estimates this to have increased to USD 1 trillion on “clean power” in 2022 (Bloomberg, 2023).</p> <p>However, we need at least USD 4.3 trillion in <i>annual</i> finance flows by 2030 (CAGR 21%) to avoid the worst impacts of climate change (CPI, 2022). In contradiction to</p>	<p>As a foundational pillar of the UNFCCC process and the Paris Agreement, the provision of international public climate finance to developing countries remains imperative to support urgent climate action, to foster trust and acknowledge the principle of common but differentiated responsibilities and respective capabilities.</p> <p>The past decade has shown that the present climate finance architecture does not correspond to the scale and delivery speed required for supporting developing countries in their efforts to deliver on the Paris Agreement goals (SCF, 2022d).</p> <p>For instance, adaptation and mitigation finance flow must increase by at least six and 13 times,</p>	<p>The technical annex of the GST can present the groundwork for a climate finance architecture that fast-tracks urgently needed delivery of financial support. It can provide clarity on the overall scope of climate finance, whether it is meeting the needs of developing countries, and deliberate on the adequate role of financial instruments and modalities, including grant and concessional loan-based finance, balance between mitigation and adaptation, and the interplay of diverse actors to scale up finance in a way</p>



	<p>the global climate objectives, global climate finance flows remain at levels similar to, or even below, annual investments in fossil fuels and significantly below if fossil fuel subsidies are added to the equation (SCF 2022d, IEA 2022).</p> <p>Both the UNFCCC and the Paris Agreement indicate that climate finance provision and mobilisation from developed to developing countries should take into account the needs of developing countries.</p> <p>Developing countries costed needs identified across NDCs, cumulatively amount to USD 5.8–5.9 trillion up until 2030 (SCF, 2021). However, this estimation in the Needs Determination Report (NDR) of the Standing Committee on Finance, does not reflect the full needs of all developing countries.</p> <p>Based on NDCs submitted by African countries, it will cost around USD 2.8 trillion between 2020 and 2030 (or USD 277 billion annually) to implement Africa’s NDCs alone (CPI, 2022d). Of which, mitigation and adaptation accounted for 66% and 24% of the total climate finance needs, respectively. Adaptation needs are likely to be underestimated due to a lack of data and technical expertise to estimate the true cost of adaptation measures (CPI, 2022d).</p> <p>The Organisation for Economic Co-operation and Development (OECD)</p>	<p>respectively, for it to meet its required needs (CPI, 2022b).</p> <p>While bilateral and multilateral finance provision is increasing at a rate below what would be required to meet the needs of developing countries, a pronounced underperformance of private sector mobilisation in climate finance interventions has become evident, calling into question current financing modalities and forward-looking estimations that are critical for ensuring adequacy and predictability of support (SCF 2022c; OECD, 2022).</p> <p>Support of the determination of the financing needs of developing countries in line with their nationally determined pathways to low-emission, climate resilient development pathways, can further connect financial flows with needs, to increase effectiveness and target the support of developed countries.</p>	<p>that maintains a focus on achieving developmental impact (Mustapha 2022).</p> <p>As such, the end-phase of the GST can inform a decisive commitment by developed countries for the mobilisation and provision of climate finance at scale towards developing countries. This can include through the vision for a wider reform of the financial system architecture that improves access to finance for climate action in developing countries (including but not limited to MDBs), while ensuring debt and fiscal sustainability, taking into account different financial perspectives, options and instruments, including fossil fuels subsidies reform (in support to the implementation of Decision 1/CP.26) and facilitate public-private modalities for country-led transitions (e.g., JETPs and coal phase out initiatives).</p>
--	--	---	--

	<p>estimates climate finance mobilised and provided by developed countries for developing countries to meet the USD100 billion annual finance goal, at USD 83.3 billion in 2020 (OECD, 2022).</p> <p>The UNFCCC in the 1992 Convention text, requires parties to provide “new and additional financial resources” to tackle climate change. However, in 2009, when the current global climate finance goal of USD 100 billion was set, no baseline was set from which to count climate finance as being new and additional. Some CSOs have developed their own methodologies and baselines from which to count climate finance as new and additional (OECD, 2023). Indeed, research from CARE Denmark shows that from 2011-18, only 6% of Global North countries’ climate finance was additional to the 0.7% Official Development Assistance (ODA) target (Hattle and Nordbo, 2022), which most OECD Development Assistance Committee members have never reached (Craviotto, 2022).</p>		
<p>To achieve global climate goals, the financial sector at large is required to shift towards financing climate action, most specifically in developing countries given the large geographic discrepancies</p>	<p>Public climate finance alone, from governments and development partners, will not be sufficient to achieve climate goals; where annual global needs, particularly in developing countries, are in the trillions (CPI, 2022; UNEP, 2022; SCF, 2021).</p> <p>A persistent misallocation of capital in financial markets persists, not only with regards to misaligned flows, but importantly between available liquidity in</p>	<p>Financing commitments speak to public and private finance, and a wide variety of sources. In light of the scope of the climate challenge, enhanced catalysation of private finance will be key, which is embedded in Article 9.3 as well as in Article 2.1.c of the UNFCCC Paris Agreement goal of making all finance (both public and private, domestic and international) consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.</p>	<p>Assessing the respective role of the private and public sector in financing climate action, the GST technical process is best placed to inform the vision for the wider reform of the financial system that enhances developing countries’ access to climate finance while accelerating the</p>



<p>of market liquidity and financial needs</p>	<p>financial centres and where climate investments are most needed, that need to increase by a factor of up to 3-6 in developing countries by 2030 to limit global warming to 2 degrees (Kreibiehl et al, 2022).</p> <p>Data and information gaps, and in some countries and markets, less amenable enabling environments, limit private sector participation. In 2021, energy transition asset finance in emerging and developing economies reached a marginal 67 USD billion (GFANZ, 2021).</p> <p>Furthermore, the World Benchmarking Alliance’s Financial System Benchmark shows that while 41% of the world’s 305 most influential private (i.e. non-state held or governed) financial institutions have set net-zero targets, only 1.3% of these financial institutions disclose the finance they provide to low-income countries (WBA, 2022).</p> <p>The transformation of the financial institutions at the national level is also critical to achieve decarbonisation. Based on an analysis of public and private banks in Latin America and the Caribbean from 2016-2022, banks invested three times more resources in fossil fuel industries than clean energy, with private investing the most (Cardenas, et al., 2022).</p> <p>The lack of regulatory obligations to shift finance flows hinders the transformation</p>	<p>Various equity considerations have become critical for a scaled-up role of private markets in financing climate action. Access to market-rate finance can be constrained in developing countries that systematically face higher technology and capital costs (Songwe et al, 2022), which are even higher when climate-related vulnerability is added to the equation (UN Environment, 2018).</p> <p>Principles of bankability and profit-orientation that guide private sector participation in climate action can come to the detriment of local-level, small-scale and adaptation interventions, running counter to principles of equity and consideration of most vulnerable groups (Songwe et al 2022). In light of the above, private finance mobilisation and the alignment of finance flows with the Paris Agreement (Article 2.1.c) will have to be carefully designed to ensure equitable participation and avoid concerns about diversion from the provision of climate finance (Article 9) (Pettinotti et al., 2022).</p>	<p>climate consistency of finance flows.</p> <p>The GST technical annex is able to elaborate on the adequate modalities for the interplay of private and public finance such as through blended finance operations, country-roadmaps, mitigation investments with in-built adaptation co-benefits, knowledge exchange and financial sector development or green financial innovation (green bonds and Sustainability Linked Bonds, green asset backed securities, lending and credit facilities etc.) (IMF, 2022).</p> <p>The technical annex of the GST is also able to inform how capacity building support can be provided to foster a mosaic of public policy, fiscal, information, institutional and economic levers towards climate-consistency of finance flows, in the continued absence of UNFCCC discussions on this topic (Whitley et al, 2018, Lopez Carbajal et al, 2021).</p> <p>Thus, the outcome of the GST, including its technical annex, offers the inclusive</p>
---	--	--	--

	<p>of financial institutions, both nationally and internationally.</p>		<p>format to highlight global convergences in approaches for an equitable design of the financial system to ensure a just transition towards low greenhouse-gas and climate resilient development.</p>
<p>Financial support for adaptation continues to fall far behind mitigation investments and remains disproportional to the increasing global needs to enhance climate resilience globally, in particular of disadvantaged countries and communities</p>	<p>While finance for adaptation is incrementally increasing in absolute terms, public financial support for adaptation to developing countries remains below 40% of climate finance commitments across sources, and is largely disproportionate to the adaptation needs of developing countries, estimated at USD 160-340 billion by 2030 (SCF 2022, UNEP, 2022).</p> <p>At COP26, and reaffirmed at COP27, developed countries committed to doubling adaptation finance by 2025 from 2019 levels.</p> <p>Due to bankability demands contrasted by the public goods nature of adaptation interventions, adaptation finance sees limited private sector participation (Rodriguez Osuna 2022).</p> <p>Data gaps and economies of scale continue to limit the realisation of decentralised and local adaptation projects (IPCC 2022, UNEP 2022).</p>	<p>Available adaptation finance consistently lags behind respective needs for resilience-building in developing countries. According to the Global Centre on Adaptation, numerous barriers exist in increasing the flow of adaptation dollars. To name just a few: adaptation measures are complex; there are challenges in understanding and recovering the costs of projects; reliable and accessible information about climate risk is often lacking; regulatory incentives for crucial adaptation measures like climate-smart agriculture have yet to be developed and implemented; and, given that every sector has many stakeholders, coming to an agreement on projects can be difficult (GCA, 2022).</p> <p>An increased focus on modalities for concessional finance and targeted public interventions to scale up adaptation finance therefore becomes ever more critical to shield the most vulnerable, since delayed resilience investments will increase the finance needed exponentially (IPCC 2022b).</p> <p>Blended finance approaches will be most impactful where they are designed context-specifically, targeting both nascent adaptation investments and technologies in low-income countries, as well as where they catalyse scale of private finance in countries with unfavourable</p>	<p>The GST technical annex can outline how financial instruments can better meet the varied needs of developing countries, with an emphasis on the appropriate balance of adaptation and mitigation investments, and the role of public- and grant-based resources for adaptation.</p> <p>Given the current limited role of private sector actors in adaptation actions, the GST technical annex can articulate the opportunities and challenges of different private actors' roles and the connectivity required to deliver scaled up private action for adaptation.</p> <p>Available sources of information considered in its technical phase, such as the first Needs Determination report and UNEP's Adaptation Gap Reports can feed into the end phase of the GST, and will inform ongoing</p>



		<p>market conditions (Lankes, 2021, Convergence 2022).</p> <p>Persistent difficulties in mobilising adaptation finance for local and small-scale projects may be overcome with a shift away from project-based finance towards multi-year, programmatic approaches and visions anchored in NDCs and national adaptation plans and/or adaptation communications that provide for systematic inclusion, aggregation and eventually, financing, of local adaptation needs in a specific place or region (Richmond et al. 2021).³</p>	<p>deliberations on the global goal on adaptation and the new collective quantified finance goal coming into effect from 2025 onwards.</p> <p>In a learning function, the diverse voices of the most vulnerable groups of the society, and of the geographies most vulnerable to the impacts of climate change should be elevated in the technical report of the GST as well as its outcomes. This can inform decision-making in the climate finance architecture, and orient the design of financial modalities towards the respective needs and capabilities of these populations; which are not only most affected, but hold invaluable knowledge to improve resilience in a context-specific manner.</p>
<p>In the emerging landscape of finance for addressing loss and damage, a lack of clarity persists with regards to the systematic collection of information on</p>	<p>Loss and damage is experienced through economic and non-economic losses. As immediate and slow-onset climate impacts are increasing drastically, they fall disproportionately on the most vulnerable, often low-income, socially disadvantaged groups with low capacities to adapt and build resilience (Kreibiehl et al. 2022).</p>	<p>The first recognition of the need of a global response to support finance to address loss and damage has been a breakthrough, yet operationalisation and implementation of support will be critical to shield the most vulnerable and maintain credibility of the principles of historical, and common but differentiated responsibility enshrined in the Convention.</p>	<p>In the nascent and diverse landscape of finance for addressing loss and damage, the end phase of the GST can meaningfully contribute to building convergence around an impactful mosaic of funding arrangements and highlight the need for a flexible framework for tracking</p>

³ See also the Principles for Locally-led adaptation: <https://www.iied.org/principles-for-locally-led-adaptation>

<p>incurred loss and damage, associated financial needs, and the availability of funds, creating a situation that risks to penalise the most vulnerable countries and communities</p>	<p>In the loss and damage finance landscape, the focus to date has been on identifying possible risk transfer and risk retention instruments, rather than on addressing loss and damage head on (Chhetri et al., 2021).</p> <p>Systematic information on incurred, and prospective climate-related loss and damages, associated financial needs, and available funding is largely absent in the current climate finance discourse and architecture.</p> <p>Funding activities related to averting, minimising and addressing loss and damage may be found across diverse actors in the humanitarian, development and climate finance system, yet governance and result frameworks are not oriented towards the specific understanding and requirements of loss and damage.</p> <p>At COP27 Parties agreed upon funding arrangements for, and a first dedicated loss and damage finance facility that is going to be operationalised in 2023 and shall provide grants to the poorest and most vulnerable countries facing climate impacts from both extreme events and slow onset processes.</p>	<p>To respond to the scale of climate impacts, a clearly outlined mosaic of funding instruments will have to be set in motion, that defines the appropriate role and interaction of a variety of existing and new sources of finance, domestic and international, public private and non-governmental. Within that system, international public concessional funding will retain a strong role in particular to support the most vulnerable countries and populations.</p> <p>This interplay of funding arrangements will have to focus on efficiency and reduction of complexity in order to ensure that finance swiftly reaches those that experience loss and damages and are most vulnerable. In parallel, the multifaceted nature of loss and damages, through immediate or slow-onset events, economic or non-economic losses, require context-specific and innovative approaches that are tailored to the differentiated needs and resilience-capacities of countries and population, and which may even involve non-monetary means of response, recognition and truth-seeking (Steadman et al, 2022).</p> <p>From an equity perspective, it will be critical to ensure an adequate balance of support on the global level with regards to assessment of 'who' is regarded as vulnerable (countries, population groups). Beyond macro-economic criteria, the multidimensionality of vulnerability in the form of geographic or socio-economic vulnerability can be accounted for in allocation decisions - for example through the proposed Multidimensional Vulnerability Index (MDI). Further, it will be critical to safeguard the additionality of loss and damage</p>	<p>and reporting on finance related to loss and damage.</p> <p>As a forum of deliberation, the GST technical phase and into its end-phase, can foster a common understanding of how a workable mosaic of finance for addressing loss and damage should be designed that will mobilise much larger amounts of resources on the international and domestic level to directly support those that experience immediate and long-term losses and damages.</p> <p>The technical annex of the GST co-chairs further provides the opportunity to synthesise available information on loss and damage related financial needs and to outline the role and interplay of both existing and required financial modalities that scale-up support for immediate, and slow-onset impacts of climate change. Fostering clarity on the role of public and private, domestic and international resources, and how funds can be mobilise and provided could be one valuable contribution from the inclusive technical phase of the GST.</p>
--	---	---	--



		finance, by clearly distinguishing it in theory and practice from other forms of 'conventional' development and humanitarian aid (Chhetri et al., 2021).	
Finance framework area: Access			
Problem Statement	State of play and direction of change	Implications of current state and lessons learnt	Opportunities for future progress
<p>Climate finance solutions in the form of debt-creating instruments continue to account for the majority of climate finance which imposes an additional burden or injustice on those with lower levels of responsibility for climate change and less capability.</p>	<p>61% of total climate finance in 2020 was raised as debt (16% was low-cost or concessional debt) (CPI, 2022a). 71% of the total public climate finance provided and mobilised by developed countries for developing countries in 2020 took the form of loans (including both concessional and non-concessional) (OECD, 2022). In Africa, debt (56%) was the preferred instrument for climate finance followed by grants (30%) exacerbating already heavy debt loads in the region (CPI, 2022b). Moreover, "low- and middle-income countries spent USD 372 billion on total debt repayments in 2020, more than four times the total 2020 climate finance flows" (OECD, 2023).</p> <p>A debtor country tends to prioritise the acquisition of international debt (which depending on the lender include fiscal policy conditions, which often have</p>	<p>There is no 'one size fits all' when choosing the most appropriate instrument for ensuring climate finance is equitable and just. Given that debt vulnerabilities are high and fiscal space is limited in many developing countries, it is unlikely that providing the bulk of climate finance through traditional debt instruments will be appropriate from an equity perspective (particularly if those instruments include fiscal policy conditions), especially for climate actions that are unlikely to generate a cash flow.</p> <p>The increase in debt is limiting the fiscal space of developing countries to invest in climate solutions, according to GFLAC in Latin America and the Caribbean, 20 of the major emitters spend less than 1% of their public budget in sustainable matters, including climate change (Guzman, et al., 2020, 2021, 2022). Furthermore these 20 countries invest 39 more times public funds in the production of fossil fuels than in climate solutions (Guzman, et al, 2022). This implies that further support is needed to decouple the public finance</p>	<p>The GST technical annex can indicate the format in which climate finance has been mobilised and provided over the course of the last decade and seek to open a discussion on the use of a broader range of financial instruments, including de-risking instruments that can be more effective in certain countries (e.g. guarantees), importantly seeking to move away from focusing solely on loans as the main vehicle for climate finance. It can further promote more responsible lending practices when providing climate finance in the form of loans (where numerous existing frameworks covering responsible lending practices</p>

	<p>detrimental impacts (Mariotti, 2021)) to respond to the most pressing development national challenges at hand and once debt is acquired, it prioritises international debt payments over other types of government expenditure given the potential negative legal, financial and reputational effects associated with missing a debt payment. However, in doing so, it means that debtor countries often impose austerity measures to ensure there's enough finance to repay debt, including cutting vital public services necessary during and after a climate impact. This is particularly important given the deeply entrenched flaws in the international architecture that prevent debt crises from being resolved in a timely and predictable manner.</p>	<p>systems from carbon intensive flows and invest in regenerative economies.</p>	<p>can be learnt from) (Mustapha, 2022).</p> <p>The GST technical dialogue as an open forum, can also provide a space to discuss additional and emerging initiatives such as debt-swaps for climate action and nature protection, the Bridgetown agenda, and other emerging initiatives that seek to redefine the fiscal space of developing countries.</p>
<p>The current climate finance architecture is highly complex, in particular due to the heterogeneity of actors and cumbersome funding requirements, leading to efficiency-losses in delivery and concerns about equity in access</p>	<p>The complexity and heterogeneity in funding requirements and criteria to access climate finance - particularly the multilateral climate funds - limits the ability of developing country institutions to tap into available funds, and reinforces systemic inequities within and across countries, with regards to access to finance, country ownership, resilience building and empowerment of local communities (SCF 2022d).</p> <p>Complex administrative procedures and demanding data and information requirements cover all stages of project cycles, including accreditation, project</p>	<p>Access issues to climate finance arise from difficulties of regional, national and local institutions to respond to differentiated demands of a non-harmonised climate finance architecture.</p> <p>Large opportunities for increasing financial volumes, developmental impact and operational efficiency-gains are associated with the call to further harmonising standards, requirements and approval procedures (Amerasinghe et al., 2017) of multilateral climate finance.</p> <p>Some best practices for climate finance access are becoming evident such as access and readiness support programmes and the direct access model of the multilateral climate funds,</p>	<p>The GST end phase should strongly convey this message that will enhance access and avoid developing countries' having to continue to design strategies that respond to different demands and standards for multilateral, regional and bilateral funds and agencies. Such harmonising may see development and expansion of initiatives already in place such as the GCF fast-track process with adequate</p>



	<p>proposal and design, implementation, monitoring and evaluation. These result in unfavourable access to climate finance in particular vulnerable groups of countries (Least Developed Countries (LDCs), Small Island Developing States (SIDS) and others) or disadvantaged groups within the societies that would require support the most, such as rural, indigenous groups, women, youth and elderly.</p>	<p>which aim to build local expertise and institutional capacities.</p> <p>Responsibly reducing complexity means safeguarding high environmental, social inclusion and human rights standards of climate finance, yet a lack of coherence and interoperability of funding criteria will continue to hamper the ability of developing countries entities and actors to access available sources of climate finance.</p> <p>To strike a balance between safeguarding high standards of climate finance and reducing complexity in access, the introduction of greater proportionality for funding requirements adjusted to project size, risk categories and local capacities is a promising way forward (Rodriguez Osuna, 2022).</p>	<p>consideration on capacity building.</p> <p>Similarly, the GST end-phase could encourage greater programming of climate finance using sources and modalities that give more decision-making power to developing countries, including at the local level and nongovernment stakeholders. Examples of this include the Enhanced Direct Access (EDA) pilot of the GCF and existing small-grant initiatives, which are needed at a much larger scale (CFAS, 2020).</p>
<p>Recipient national and sub-national actors remain at a disadvantage to participate in the delivery of climate finance given large system-complexities, needs for capacity-building and local empowerment</p>	<p>Due system-complexity, technical and data requirements as well as economies of scale, domestic actors are at a disadvantaged in the current climate finance system.</p> <p>There is often an insufficient integration of financial sector expertise and institutions (public and private) in the climate finance system (SCF 2021).</p> <p>Multilateral Implementing Entities, rather than regional and national institutions, are responsible for the bulk of climate finance delivery in developing countries (90% in 2019-20 through Multilateral Climate Change funds). The dominant role of international institutions remains although</p>	<p>To enable meaningful national and local participation in the climate finance system, a conceptual shift away from a pure focus on scale of climate finance emerges from developing country perspectives.</p> <p>An 'ecosystem approach' to climate finance beyond quantitative volumes implies to explicitly target different institutions, stakeholders and processes needed to design and implement climate projects in line with national priorities and needs (Chhetri et al., 2021).</p> <p>Long-term, iterative support for institutional capacity-building is critical to this approach so that finance increases responsiveness to national institutional needs while building enabling</p>	<p>The GST technical annex can provide best-practice models that ease access to climate finance, and have proved efficient in building regional, national, local capacities and expertise. Potential models for dissemination and replication are existing access modalities of multilateral climate funds, the increasing number of specific programmes of multilateral and bilateral providers targeting local-level stakeholders, as well as holistic country-programming strategies.</p>

	21 dedicated access, readiness and project preparation support modalities are offered by multilateral climate funds alone (SCF 2022d).	conditions and expertise as part of comprehensive national climate finance architectures As a precondition for long-term institution and capacity building in developing countries, the harmonisation of financing requirements and criteria to access climate finance will facilitate the efforts of countries, and avoid a situation where countries need to continue to design strategies to respond to different demands and standards.	
Finance framework area: Implementation			
Problem Statement	State of play and direction of change	Implications of current state and lessons learnt	Opportunities for future progress
The absence of harmonised reporting and accounting practices for climate finance limits the ability to collectively assess progress and ensure accountability of climate finance committed, disbursed and received	<p>In the absence of a multilaterally-agreed framework, the existing variety of independently defined tracking and accounting approaches for climate finance has resulted in largely different evaluations of the level and quality of financial support, and has led to frustrations of both developed and developing country Parties. (OECD, 2022, Oxfam 2022, SCF 2022c).</p> <p>One reason for limited transparency is the absence of a commonly agreed definition of climate finance (SCF, 2022). Such lack of a common understanding complicates the ability of collective learning, as it works against the principle of</p>	<p>Improving transparency and clarity of the climate finance system is paramount to uphold principles of accountability and equity in the intergovernmental process. In the spirit of the Paris Agreement, this should take into account nationally determined pathways, context specificity and respective capacities for climate action, for example through formulating common baseline accounting and reporting practices on the scope and limits of climate finance.</p> <p>With regards to current reporting practices, the multilateral climate funds levels of accountability and transparency of climate finance flows (both received and disbursed) are higher than bilateral and other multilateral flows and therefore allow for</p>	<p>The GST technical annex, in its function of a global assessment of progress towards the long-term goals, can meaningfully foster a common understanding of the terminology and practices applied when reporting on climate finance, to improve transparency and perception of trust between Parties. To foster accountability and enable collective learning, a formal baseline definition of climate finance in the GST technical annex could provide a common understanding of what climate finance constitutes, what can be</p>



	<p>accountability and has eroded trust in the intergovernmental process.</p> <p>From a global perspective, the emerging landscape of green and sustainable finance taxonomies and budget tagging systems offer some indications on potential commonalities for what is climate-relevant finance, however with a very limited scope due to the small number (28) of these taxonomies globally and with many differing in scope, range, and focus, the risk is that this trend will lead to the development of several different taxonomies that are incompatible with each other, increasing uncertainty and undermining their core goal (Bertazzi et al, 2022).</p> <p>The level of disaggregated data on gender and climate finance is very weak. While the SCF (2018) has recommended that climate finance providers “improve tracking and reporting on gender-related aspects of climate finance, impact measuring and mainstreaming”, a 2022 review of country implementation of these recommendations shows that limited progress has been made. Moreover, UNFCCC finance reporting tables do not have a specific column to report gender-responsive climate finance (SCF 2022). Data gaps like this make it “difficult to identify trends, best practices and the effectiveness of climate finance within communities” (OECD, 2023).</p>	<p>learning to improve governance, process and programming (SCF, 2022c,d).</p> <p>Consistency between regulatory requirements, lacking agreement on a single global taxonomy, calls for coherent disclosure system and, on equal footing, a common language for internationally agreed taxonomies to ensure data access, analysis and use by the investor community, enabling greater connectivity between disclosure producers and users, while allowing for information to be easily searched, filtered and aggregated, and integrated into end-user technologies.</p> <p>Under ODA climate-related finance, climate finance providers reported that for 2018-19, gender was integrated into USD 18.9 billion of climate-related ODA (OECD, 2022). Suggesting that providers have structures in place to collect such data that could be helpful in allowing providers to report on the gender-responsiveness of UNFCCC climate finance flows. Other examples include Canada which developed a framework for project implementers to track gender equality outcomes.</p>	<p>accounted for and what is mobilised and provided on an annual basis in the name of climate finance.</p> <p>As a large variety in the quality and depth of transparency and reporting practices persists among climate finance actors, the GST technical annex is well placed to echo the collection of best practices undertaken by the Standing Committee on Finance, around which reporting expectations can converge over time.</p> <p>The technical annex of the GST can emphasise that linkages between taxonomies create interoperability and so capital allocation at scale. It can highlight the need for wider scope of compliance of all capital market actors, threshold and criteria to assess activities, and the need for time bound transition activities and pathways.</p> <p>Fostering greater accuracy and accountability, the GST end phase could seek to initiate discussions on giving mandate to the Enhanced Transparency Framework to include the reporting of Article</p>
--	--	--	---

			2.1.c implementation as part of the reporting of climate finance provided, mobilised, needed and received.
<p>Clarity about the impact climate finance achieves on the ground is key to advance targeted climate action and enable iterative learning, yet current reporting practices are limited and do not allow for a comprehensive assessment of environmental and social impact</p>	<p>The diversity of impact reporting frameworks of multilateral and bilateral providers, and the absence of granular portfolio-level reporting renders it difficult to assess the climate and development impact of climate finance on the ground.</p> <p>So far, climate finance providers have focused largely on quantified outputs, in terms of emissions, installed energy capacity and number of people per intervention while socio-economic outcomes are underreported and methodological indicators are less developed (SCF, 2022d).</p> <p>Impact creation for local-level empowerment, on gender and vulnerable groups, and for wider resilience building in particular remains a black-box. Similarly, there are few, and limited approaches for measuring transformational, systemic change induced by climate finance interventions, that would for example measure levels of institutional or behavioural change or long-term resilience building (ECA, 2022).</p>	<p>Although making climate finance available is central to access, ensuring it is effective at delivering mitigation and adaptation is also crucial for the implementation of climate action in developing countries and for the ultimate achievement of the Paris Agreement goals and the UNFCCC objectives (Rodriguez Osuna, 2022).</p> <p>From both recipient and provider perspective, more granular information about impacts and effectiveness is a precondition to enhance the quality of climate finance by steering funding towards interventions that are most appropriate in a given local context and to inform national policy-making and long-term climate plans.</p> <p>The design of a practicable and meaningful impact framework thereby seeks to strike a balance to formulate indicators that assess the granular impact on local level, while taking into account differentiated capacities for reporting and maintaining access and efficiency in finance delivery.</p>	<p>In considering equity in access to climate finance, the GST technical annex could look more closely at the outcomes of projects and programmes. For example, are resources empowering local actors, increasing the resilience of local communities, women and indigenous groups and supporting human rights obligations to lead to lasting impacts? In doing so, the GST can then provide a signalling function to climate finance providers to better seek outcome-oriented results.</p> <p>As part of this work, the GST technical annex can highlight the variety of emerging, more detailed impact frameworks that are being developed among bilateral, multilateral climate finance providers and private sector institutions can be evaluated and elevated to enable further harmonisation</p>



			<p>on a global and systemic scale (SCF, 2022d).</p> <p>The GST technical phase could also act as a continuous forum to demonstrate the examples of climate finance utilisation and benefits brought to the vulnerable communities, groups, children and considering gender and indigenous communities. The multi-stakeholder inclusion and approach at these forums would allow their experiences to be heard, and would allow transparency, accountability and governance in relation to the impact of climate finance being delivered to the communities.⁴</p>
Governments and public finance institutions have continued committing high levels of financial support to fossil fuels,⁵ many are also financially heavily	<p>There is growing consensus that no new fossil fuel projects are consistent with limiting warming to 1.5°C International Energy Agency (IEA), 2021; Picciariello et al., 2022). This means that no public financial support to new fossil fuel projects and additional capacity will be aligned with climate targets. Meanwhile, public</p>	<p>There have been significant efforts to reduce public support for fossil fuels, particularly for fossil fuel consumption subsidies (Aggarwal et al., 2022; Pradiptyo et al., 2016; Breisinger et al., 2019). However, doing so remains a challenge for many countries.</p>	<p>The GST high level outcome could seek a binding framework to phase out public financial flows for fossil fuels, including timelines, clear definitions of fossil energy that may require a slower pace of change for energy</p>

⁴ See a recent article highlighting the importance of such conversations: https://www.theguardian.com/global-development/2023/feb/16/africa-western-aid-accountability-transparency?CMP=Share_iOSApp_Other

⁵ This submission to the Independent Global Stocktake draws significantly upon a dedicated submission to the Global Stocktake on this theme (Urazova et al., 2023).

<p>dependent on fossil fuels, and need to plan better for alternative income generation.</p>	<p>support for fossil fuel consumption entrenches fossil-intensive consumption patterns, skews the playing field and wastes scarce public resources (Kuehl et al., 2021; Bridle and Kitson, 2014).</p> <p>COP cover decisions in 2021 and 2022 saw all parties explicitly commit to reform fossil-fuel subsidies. This built on pre-existing commitments outside the UNFCCC, including the SDG 12 (from 2015) and the first G20 and APEC commitments on fossil-fuel subsidy reform (2009). Stopping financial flows for fossil fuels, particularly new fossil fuel projects, should be the first priority for the Parties to implement Article 2.1.c of the Paris Agreement, because public financial flows can leverage shifts in private financial flows, and it is also vital to ensure that public institutions are not becoming the “lender of last resort” for fossil projects, exposing them disproportionately to stranded asset risks.</p> <p>The Fossil Fuel Subsidy Tracker⁶ estimated that fossil energy subsidies reached USD 732 billion in 2021, 35% higher than in 2015, the year of the Paris Agreement (USD 543 billion). Preliminary data from the IEA for 2022 estimate that fossil fuel subsidies were at least USD 1.1 trillion (IEA, 2023) - and this only covers subsidies for fossil fuel consumption, and in a limited number of countries. In contrast, IRENA estimates that subsidies</p>	<p>For all types of public financial support for energy, transparency is essential. There have been good efforts to improve transparency on fossil fuel subsidies, such as data from the IEA, OECD and IMF in the Fossil Fuel Subsidy Tracker, but this remains largely the responsibility of independent agencies, and there is a need for better ongoing reporting by governments themselves, to increase accountability, as required under SDG 12.c.1. The state of transparency is generally lower for investments by state-owned enterprises and lending by public financial institutions, where much more can be done both on the side of both independent and government reporting.</p> <p>In the case of fossil fuel consumer subsidies, even when policymakers express interest in conducting reform, their efforts face both technical and political roadblocks, particularly around adjusting pricing mechanisms, managing unintended impacts and developing a politically viable reform strategy with adequate public support (Beaton et al., 2013). In some developing country Parties, sufficient administrative capacity to implement such a wide-reaching reform is lacking. There are also needs to be promote more open and transparent decision-making processes, with support for civil society actors so they can more meaningfully engage (Hossain et al., 2021).</p> <p>In the case of fossil fuel producer subsidies, major challenges include vested interests, difficulty of even identifying and tracking support measures, and the lack of holistic assessment of producer</p>	<p>access reasons, and firm reporting requirements.</p> <p>The GST technical annex could include a clear definition of what constitutes a fossil fuel subsidy, all of which would encourage countries to make credible reform commitments.</p> <p>The GST technical annex and outcome can emphasise how the provision of financial and technical resources from developed to developing countries can support governments and civil society plans for shifting financial flows so they can better overcome capacity, administrative and governance challenges.</p>
---	--	--	--

⁶ Available at: www.fossilfuelsubsidytracker.org



	<p>for renewable power generation constituted around USD 128 billion in 2017 (Taylor, 2020) against USD 519 billion for fossil fuels the same year.</p> <p>Other forms of public financial flow include investments by state-owned enterprises (SOEs) and lending by public financial institutions. According to some assessments, fossil fuel investments of SOEs accrued to USD 257 billion per year on average between 2017 and 2019 (Geddes et al., 2020). The Public Finance Energy Database by Oil Change International (2022) demonstrates high levels of international fossil fuel financing from public institutions—on average USD 87 billion per year in the period 2016–2018—and much lower levels of finance were provided for clean energy, only 16.5% of total lending for energy. This represents international as well as domestic public finance from G20 export credit agencies, development finance institutions, and major Multilateral Development Banks (MDBs).</p> <p>Public income generation is highly reliant on fossil fuels in some countries. In Latin America and the Caribbean, carbon-intensive revenues outweigh sustainable revenues by a factor of ten (Guzman, et al, 2022). Looking at the 20 major emitters in the region, it was found that these countries received USD 126 billion from carbon-intensive activities compared to USD12 billion in international climate finance. Similarly, a review of BRIICS</p>	<p>support policies in government cost-benefit analysis.</p> <p>In the case of investments by state-owned enterprises, the major challenge is typically a lack of planning for firm diversification, which ought to include: assessments of risk; identification of potential diversification options; an evidence-based approach to set diversification ambition in reference to risk; and consideration of related just transition responsibilities (Viswanathan et al., 2022).</p> <p>Transforming the climate finance landscape requires not only better spending but also better income generation.</p>	
--	---	--	--

	economies found that emerging economy governments depend highly on fossil fuel revenues, from 5% of total revenues in China to over 33% in Russia, and that this risks a USD 278 billion gap in revenue by 2030, based on IEA projections of the pace of energy transition (Laan and Maino, 2022).		
The absence of a global framework for assessing the consistency of finance flows with the Paris Agreement, as articulated in Article 2.1.c, could result in a proliferation of independent approaches, which risks to undermine principles of transparency, accountability and global deliberation on a just transition	<p>There remains a lack of clarity on what is finance that enables the global transition to low-emission, climate-resilient development pathways. To date there have been no deliberations aiding country Parties to operationalise and implement Article 2.1.c of the Paris Agreement. While this supports country ownership and national flexibility to develop plans for the alignment and framework for assessing consistency of domestic finance flows, it challenges efforts to track collective progress against Article 2.1.c (SCF, 2022a; SCF, 2022b)</p> <p>On the domestic and international level, a large variation of financial market regulation, policies and fiscal policy levers can be identified that act towards the identification of inconsistent flows and the incentivisation of Paris-aligned finance⁷.</p> <p>Beyond Parties, the role of supervisors, private finance and civil society actors</p>	<p>Without assessing the Paris-alignment of different countries' finance flows in a consistent way, there is a risk that collective progress against Article 2.1.c - as mandated under the GST - becomes impossible to track.</p> <p>The variation in current approaches suggests that one common standard for assessing the Paris-alignment of finance flows, policies and regulations is unrealistic across the range of 194 countries that are signatories to the Paris Agreement, as well as relevant non-Party stakeholders operating under different mandates and at different levels of financial market development, and would further undermine hard-won country ownership of national determination.</p> <p>Emerging Paris Alignment approaches, and country case studies, consistently highlight the need to ensure ambitious decarbonisation in line with the 1.5°C target, while integrating the principles of a just and equitable transition into efforts to make finance flows consistent. In the process of phasing out fossil fuel subsidies and emissions-intensive activities on the regional, national and local scale, the livelihoods of workers, communities and economies will have to</p>	<p>The explicit mandate of the GST to assess progress towards achieving the long-term goals of the Paris Agreement, entails an important signalling function for the global discussion on Article 2.1.c, that is at early stages. In line with its mandate, the GST technical annex can order and map out the landscape of current approaches in order to foster a better understanding of the "consistency" of finance flows, with a view to enabling an equitable and just transition.</p> <p>While taking into account local and regional contexts defined through national low-emission, climate resilient development pathways, the GST end phase could emphasise the benefits of the formulation of common baseline criteria, indicators or</p>

⁷ See the six country case studies (Germany, Indonesia, Switzerland, Rwanda, Samoa and Colombia) at: <https://www.climateworks.org/independent-global-stocktake/finance-working-group/>



	<p>towards achieving the long-term goal is equally undefined and characterised by a dynamically evolving landscape of initiatives, methods and approaches, posing difficulties for independent evaluation (Noels and Jachnik, 2022; CPI, 2022; UN HLEG, 2022).</p>	<p>be transformed progressively over time, through a broad mix of social safety nets, reskilling, and sustainable investments.</p>	<p>frameworks which can serve as guardrails to guide all actors in the implementation of Article 2.1.c, increasing accountability and assessment on the goal.</p> <p>In considering all Party and non-Party stakeholders, the GST technical phase would thus act as a repeating forum for discussing the differentiated concerns and needs of countries, sectors and populations for an equity-based just transformation, that drives ambitious decarbonisation globally.</p>
<p>Financial institutions (asset managers, banks, insurance, pension funds, sovereign wealth funds, development finance institutions, and others) lack harmonised reporting and monitoring frameworks to evaluate the extent to which they are aligning with a 1.5°C compatible pathway</p>	<p>A growing number of financial institutions have committed to setting net zero targets, evidenced by the creation and strengthening of various alliances for net-zero since COP26. The World Benchmarking Alliance's (WBA) Financial System Benchmark 2022 shows that 37% of the world's 400 most influential financial institutions have set such targets (WBA, 2022). However less than 2% of these institutions set interim emissions reduction targets across their financing activities, which is crucial to ensure the robustness of their net-zero targets in the long-term (UN HLEG, 2022).</p> <p>CPI's assessment of 70 public development banks and development financing institutions (with USD 20.4 trillion in assets) showed that only 20</p>	<p>Despite the surge in net-zero pledges, efforts are still needed to shift finance flows (both private and public) and make them consistent with articles 2.1.c and 9 of the Paris Agreement.</p> <p>In order to help shift financial flows, better tracking of progress from financial institutions is needed. This will aid understanding of the amount and type of finance that institutions are providing to climate solutions and fossil fuels and what underpins green finance. Currently, only 4% of financial institutions assessed by WBA in 2022 disclose the amount and share of financing they provide to climate solutions and specify what those are; and only 1% of the financial institutions disclose the amount and share of financing they provide to high-emitting and fossil fuel sectors (WBA, 2022). Similarly, only 2% of the financial institutions</p>	<p>As an accountability mechanism to keep track of the collective progressive in meeting the Paris Agreement goals, the GST technical annex can share best practice in transparent and consistent reporting and monitoring systems of climate-related finance by financial institutions that is aligned to the Agreement goals at the time and scale required and more specifically by 2030.</p> <p>Much like GFANZ has helped coordinate existing coalitions and networks in the private sector, the GST outcome could support a similar effort</p>

	<p>institutions, have set net zero or Paris alignment targets, only six have set climate finance goals that explicitly mention adaptation, 22 have climate-related exclusion and divestment policies of varying breadth and ambition with only nine including pledges to phase out all fossil fuel financing without exception (CPI, 2022c).</p> <p>Insufficient accountability measures and lack of guidance from global coalitions and governments were identified as key barriers to credible climate commitments by public financial institutions.</p> <p>While clean energy investments increased in 2022, these have stagnated in low-income and emerging economies, and fossil fuel investments remain significant (IEA, 2022). As an example, 60 of the world's largest banks provided USD 3.8 trillion to fossil fuel projects in the five years since the Paris Agreement was concluded (Share Action, 2022).</p> <p>Furthermore, globally, 29% of new power investment in 2018, or approximately USD 129 billion, was invested in fossil fuel power, resulting in 109 GW of new fossil generating capacity and putting the world on a temperature trajectory of over 3.2°C – more than double the level targeted in the Paris Agreement (CPI, 2020).</p>	<p>disclose the finance they provide to low-income countries (WBA, 2022).</p> <p>Coalitions are and should continue to work to define and recognise ambitious public finance commitments, as well as provide benchmarks, guidance, and foster knowledge-sharing and capacity building across public finance entities (CPI, 2022c) While global coalitions should pursue standardisation and consistency when developing target setting protocols and transition plans, efforts need to take the different needs and circumstances of developing economies into consideration (CPI, 2022c).</p>	<p>in the public finance space, supporting coordination through recommendations and guidance (rather than as a reporting function).</p> <p>While more broadly, the GST high-level outcome can reiterate the need to assess over time the performance of financial institutions in terms of the alignment of their financed emissions, their financed emission targets, how they engage with companies and other counterparties to support their alignment with 1.5°C, and how financial institutions and their counterparties disclose the level of finance they provide to climate solutions and energy intensive activities and fossil fuels.</p>
--	---	--	---

Finance framework area: Enabling policies and regulations



<p>The international financial system, and international and multilateral financial institutions, regulators and supervisors are not aligned with the goals of the Paris Agreement</p>	<p>The Sharm el-Sheikh Implementation Plan from COP27 acknowledges that funding the investment needed for the transition will require the “transformation of the financial system, its structures and processes”.⁸ The call for transformation recognises that the current system is not aligning with the goals of the Paris agreement and, in fact, some regulatory incentives and structures are actively undermining the transition as a result of, for example, chronic short termism, credit rating agency methodologies, prudential regulation focussed on the carbon intensive economy (ECB, 2022).</p> <p>The cost of emitting green-house gases, cashflows and valuations, continue not to reflect climate impacts in the absence of policy action to internalise these externalities.</p> <p>This leads to financial system support of a real economy that is heading for closer to 3°C of warming rather than 1.5°C (SBTI, 2021).</p>	<p>Action on climate issues is already implied within the core mandates of the key institutions within the international financial architecture, focussed as they are on financial stability, price discovery, consumer protection and market integrity – all of which are undermined by the escalating effects of climate change and a disorderly transition (FSB, 2020).</p> <p>There is momentum building for reform of the World Bank and the Bridgetown Agenda is gaining support for reforms of the World Bank, International Monetary Fund and for debt restructuring (Capital Adequacy Frameworks Panel Report, 2022).⁹</p> <p>Momentum for change is welcome, but there is a risk that without a systemic approach to reforms they will not achieve the scale of change required.</p> <p>This means that changing key institutions like the World Bank and IMF is important and a necessary part of the reforms needed, but alone will not be sufficient to support the mobilisation of the USD 2-4 trillion per year needed to support the transition to a low carbon economy. Without changing the regulation and supervision of financial market participants through the reform of the mandates, work programmes, and reporting of the bodies within the broader financial architecture, the flows of money will remain focussed on developed market economies because that is where prudential regulation in particular nudges the</p>	<p>In order to harness the power of private finance to mobilise capital at the scale and pace needed to support the rapid decarbonisation that is now necessary to align with a science-based pathway to net zero on or before 2050 and limiting end of century temperature rise to 1.5°C, the end phase of the GST can emphasise the need to update the mandates of financial institutions, regulators and supervisors in order to put climate action at the heart of their purpose and programmes.</p> <p>The GST in both its technical annex and high-level phase can also draw out the linkages with addressing biodiversity loss, disaster risk reduction, avoiding public health crises, and tackling inequality to support sustainable development and the 2030 Agenda in a key reset to the focus of international finance</p>
---	--	---	--

⁸ See paragraphs 54-55 of the Sharm el Sheik Implementation Plan at: https://unfccc.int/sites/default/files/resource/cma2022_L21E.pdf

⁹ See also commentary: <https://www.politico.eu/article/major-economies-world-bank-climate-overhaul-germany-usa/> and <https://www.foreign.gov.bb/the-2022-barbados-agenda/>

		<p>mandates that asset owners set for their asset managers invest and the lending practices of banks (AVIVA, 2022).</p>	<p>supervision and regulation.</p> <p>The outcome of the GST can call for bodies within the architecture to collectively create and steward a net zero transition plan for finance, made up of their own transition plans, that could report annually to the COP, G7, G20 and G77 the “state of the transition”.</p>
--	--	---	--



+ 3. Key messages



Evidence is clear on the urgency to significantly scale-up climate finance to meet the long-term goals of the Paris Agreement. This is particularly true in support of developing countries' climate action as the costs of inaction and needs will increase disproportionately over time for these countries. As a critical enabler of all other climate action, finance is not being provided at a scale commensurate with needs, particularly of developing countries', it is not being supported to seek low-emission and climate-resilience in the incentive structures that guide it, nor is sufficient leadership shown in financial institutions globally to deliver the transition needed. There is much needed revision to financial system architectures that will enhance developing countries' access to finance for climate action and accelerates the climate-consistency of all finance flows globally.

In summarising this submission, the Finance Working Group leaves the co-facilitators of the GST with six key messages on finance themes for the remaining elements of the technical phase and for the outcome phase of the GST:

1. The GST in its discussions on finance, should consider generating sufficient ambition to meet the overall objective of the Paris Agreement and address the 1.5°C goal by responding to developing countries' needs and priorities through the mobilisation of climate finance and making financial flow consistent with low emission and climate resilient development, including through the just phase out of fossil fuel finance;
2. The GST must address both the quantitative and qualitative aspects of climate finance access, including adequacy, predictability, access modalities, financial instruments, eligibility, and gender-responsiveness. Elements of the current finance architecture, including under the UNFCCC and the Paris Agreement, lacks ambition and is complex, lengthy, cumbersome and time-consuming to navigate and access. Going beyond the volume and definition of climate finance, the outcomes of the GST should focus on the quality and the capacity to transform economies and societies to achieve just transitions based on the specific needs of developing countries and its different groups such as local and indigenous communities, including women and youth.
3. The GST must adopt a balanced approach to thematic issues in the mobilisation and provision of climate finance with adaptation, mitigation and loss and damage carefully considered and reflective of the needs and priorities of developing countries. With climate finance skewed towards mitigation compared to adaptation, a current approach of 'doubling' adaptation finance provision on its own is unlikely to deliver balance.
4. The GST must be rooted in equity, considering developing countries' needs and special circumstances as they vary according to geographical, ecological, and national and subnational socio-economic contexts. It must recognise that the needs of countries, geographies, local communities and economies differ considerably and are dynamic over time. Allocation should consider how climate finance best meets needs and special

circumstances in the most equitable way in a context of growing vulnerability, while the shift of global financial flows to climate consistency must also take equity into consideration.

5. The GST must work on creating convergence in understanding of and inform deliberations on, revised financial system architectures – including both public and non-state actors and financial institutions – given the recognised failings of the current systems that continue to fail to internalise the impacts on climate change, in a way that is able to enhance climate finance flows, and enhance developing countries' access to finance while avoiding an increase in unsustainable debt, while concurrently accelerating the pursuit of the climate consistency of all finance flows.

6. The GST must work on harmonised financial reporting and accounting practices to enhance transparency and ensure accountability of actions and their impact on climate change from various institutions, increasing comparability and reducing risks of greenwashing. The absence of shared flexible definitions and approaches has led to misunderstanding and mistrust among Parties, such is the case in climate finance being mobilised and provided where recipient countries appear to have a different understanding from that of the providers.

This submission was the product of the Finance Working Group of the iGST, though not every position reflects the views of every member nor their institution. Those deserving particular acknowledgement of contributions who have endorsed this submission from the Finance Working Group of the iGST include (in alphabetical order):

Alejandra López Carbajal, Climate Diplomacy Director, Transforma

Charlene Watson, Senior Research Associate, ODI

Chavi Meattle, Manager, Climate Finance, Climate Policy Initiative

Christopher Beaton, Deputy Acting Co-Director, IISD Energy Program

Joachim Roth, Climate Policy Lead, World Benchmarking Alliance

Leia Achampong, Senior Policy and Advocacy Officer, Climate Finance, Eurodad

Louise Brown, Founding Director, Triple Capital

Raju Pandit Chhetri, Director, Prakriti Resources Centre

Sandra Guzman, Founder and Global Director, Climate Finance Group of Latin America and the Caribbean (GFLAC)

Thomas Taylor, Senior Manager, AVIVA Investors Sustainable Finance Centre for Excellence



+ References



Aggarwal, P., Goel, S., Laan, T., Mehta, T., Pant, A., Raizada, S., Viswanathan, B., Viswamohan, A., Beaton, C., and Ganesan, K. (2022). *Mapping India's energy policy 2022: Aligning support and revenues with a net-zero future*. International Institute for Sustainable Development. <https://www.iisd.org/publications/mapping-india-energy-policy-2022>

Amerasinghe N, Thwaites J, Larsen G, et al. (2017). *The Future of the Funds: Exploring the Architecture of Multilateral Climate Finance*. World Resources Institute. <https://www.wri.org/research/future-funds-exploring-architecture-multilateral-climate-finance>

AVIVA (2022). *Act Now: A climate emergency roadmap for the international financial architecture*. AVIVA Investors. <https://www.avivainvestors.com/en-gb/views/aig-investment-thinking/2022/11/climate-emergency/>

Beaton, C., Gerasimchuk, I., Laan, T., Lang, K., Vis-Dunbar, D., and Wooders, P. (2013). *A guidebook to fossil-fuel subsidy reform for policy-makers in Southeast Asia*. International Institute for Sustainable Development. <https://www.iisd.org/publications/report/guidebook-fossil-fuel-subsidy-reform-policy-makers-southeast-asia>


Bertazzi, P., Erskine, I. and Cerrato, D. (2022). *Seeking clarity amidst fragmentation*. CDP. https://cdn.cdp.net/cdp-production/comfy/cms/files/files/000/006/829/original/Taxonomies_policy_brief_FINAL.pdf

Bloomberg (2023). *\$1 Trillion Green Investment Matches Fossil Fuels for First Time*. Bloomberg. <https://www.bloomberg.com/news/articles/2023-01-26/global-clean-energy-investments-match-fossil-fuel-for-first-time>

Breisinger, C., Mukashov, A., Raouf, M., and Wiebelt, M. (2019). Energy subsidy reform for growth and equity in Egypt: The approach matters. *Energy Policy*, 129, 661–671. <https://doi.org/10.1016/j.enpol.2019.02.059>

Bridle, R. and Kitson, L. (2014). *The Impact of Fossil-Fuel Subsidies on Renewable Electricity Generation*. IISD. <https://www.iisd.org/publications/report/impact-fossil-fuel-subsidies-renewable-electricity-generation>

Capital Adequacy Frameworks Panel Report (2022). *Boosting MDBs' investing capacity. An Independent Review of Multilateral Development Banks' Capital Adequacy Frameworks*. Capital Adequacy Frameworks Panel Report. https://www.dt.mef.gov.it/export/sites/sitodt/modules/documenti_it/news/news/CAF-Review-Report.pdf



Cardenas, D., et al (2022). *Panorama regional del financiamiento energías limpias versus combustibles fósiles y el rol de la banca 2016-2021. Casos de estudio de Argentina, Brasil, Colombia y México*. Grupo de Financiamiento Climático para Latinoamérica y el Caribe (GFLAC).

CFAS (2021). *Access to climate finance for the most vulnerable*. Climate Finance Advisory Service.

[https://cfas.info/sites/default/files/anhang/CFAS Policy Brief Access to climate finance 0.pdf](https://cfas.info/sites/default/files/anhang/CFAS_Policy_Brief_Access_to_climate_finance_0.pdf)

Pandit Chhetri, R., Schaefer, L. and Watson, C. (2021). *Exploring loss and damage finance and its place in the Global Stocktake*. Part of the 'Financing Climate Action: iGST Discussion Series'. <https://www.climateworks.org/wp-content/uploads/2022/04/Loss-and-Damage-Finance-iGST.pdf>

Climate Policy Initiative (CPI) (2022). *Private Financial Institutions' Paris Alignment Commitments: 2022 Update*. Matthew Solomon. Climate Policy Initiative. <https://www.climatepolicyinitiative.org/wp-content/uploads/2022/06/Private-Financial-Institutions-Paris-Alignment-Commitments-I-2022-Update.pdf>

CPI (2022a). *Global Landscape of Climate Finance: A Decade of Data 2011-2020*. Climate Policy Initiative. <https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-a-decade-of-data/>

CPI (2022b). *Landscape of Climate Finance in Africa*. Climate Policy Initiative. <https://www.climatepolicyinitiative.org/wp-content/uploads/2022/09/Landscape-of-Climate-Finance-in-Africa.pdf>

CPI (2022c). *Public Financial Institutions' Climate Commitments*. Climate Policy Initiative. <https://www.climatepolicyinitiative.org/wp-content/uploads/2022/10/public-financial-institutions-climate-commitments.pdf>

CPI (2022d). *Climate Finance Needs of African Countries*. Climate Policy Initiative. <https://www.climatepolicyinitiative.org/wp-content/uploads/2022/06/Climate-Finance-Needs-of-African-Countries-1.pdf>

CPI (2020). *Paris Misaligned- An Assessment of Global Power Sector Investment*. Climate Policy Initiative. <https://www.climatepolicyinitiative.org/publication/paris-misaligned/>

Convergence (2022). *State of Blended Finance 2022: Climate Edition*. Convergence. <https://www.convergence.finance/resource/state-of-blended-finance-2022/view>

Craviotto, N. (2022). *An assessment of ODA in 2021: Rise in overseas aid still fails to meet needs of global crises*. Eurodad. <https://assets.nationbuilder.com/eurodad/pages/2953/attachments/original/1654167170/oda-assessment-2021-final.pdf?1654167170>

European Court of Auditors (ECA) (2022). *The Global Climate Change Alliance (+): Achievements fell short of ambitions*. ECA. <https://www.eca.europa.eu/sites/ep/en/Pages/DocItem.aspx?did=63424>

European Central Bank (2022). A catalyst for greening the financial system. ECB blog. <https://www.ecb.europa.eu/press/blog/date/2022/html/ecb.blog220708~1c7076c7b1.en.html>

Financial Stability Board (FSB) (2020). *The implications of climate change for financial stability*. FSB. <https://www.fsb.org/wp-content/uploads/P231120.pdf>

Geddes, A., Gerasimchuk, I., Viswanathan, B., Picciariello, A., Tucker, B., Doukas, A., Corkal, V., Mostafa, M., Roth, J., Suharsono, A., and Gençsü, I. (2020). *Doubling back and doubling down: G20 scorecard on fossil fuel funding*. International Institute for Sustainable Development. <https://www.iisd.org/system/files/2020-11/g20-scorecard-report.pdf>

Gençsü I. and Watson, C. (2021). *7 ways the Global Stocktake can accelerate the phase-out of fossil fuel finance*. Part of the 'Financing Climate Action: iGST Discussion Series'. <https://www.climateworks.org/wp-content/uploads/2021/11/iGST-7Reasons-Fossil-Fuels-final.pdf>

Glasgow Financial Alliance for Net Zero (GFANZ). (2022). *Actions to Mobilize Capital to Emerging Markets and Developing Economies*. GFANZ Workstream on Mobilizing Capital to Emerging Markets and Developing Economies. <https://assets.bbhub.io/company/sites/63/2022/10/GFANZ-Actions-to-Mobilize-Capital-to-Emerging-Markets-Developing-Economies.pdf>


Global Center on Adaptation (2022). *State and Trends in Adaptation Reports 2021 and 2022: Executive Summaries and Syntheses*. https://gca.org/wp-content/uploads/2023/01/GCA_State-and-Trends-in-Adaptation-2022_Fullreport.pdf

Guzman, S., and De la Fuente, A. (2020). *Índice de Finanzas Sostenibles (Sustainable Finance Index)*. Grupo de Financiamiento Climático para Latinoamérica y el Caribe, GFLAC. https://www.sustainablefinance4future.org/files/ugd/32948d_b226aaa66acb4459b61ef19f6520b243.pdf?index=true

Guzman, Sandra, et al. (2021). *Índice de Finanzas Sostenibles (Sustainable Finance Index)*. Grupo de Financiamiento Climático para Latinoamérica y el Caribe, GFLAC.

Guzman, Sandra, et al. (2022). *Índice de Finanzas Sostenibles (Sustainable Finance Index)*. Grupo de Financiamiento Climático para Latinoamérica y el Caribe, GFLAC.

Hattle, A. and Nordbo, J. (2022). That's not new money: Assessing how much public climate finance has been "New and Additional" to support for development. CARE. https://www.care-international.org/sites/default/files/2022-06/That%27s%20Not%20New%20Money_FULL_16.6.22.pdf



Hossain, N., Agbonifo, J., Atela, M., Gaventa, J., Gonçalves, E., Javed, U., McCulloch, N., Natalini, D., Oosterom, M., Ojebode, A., and Shankland, A. (2021). *Demanding power: Do protests empower citizens to hold governments accountable over energy?* IDS working paper 555. <https://opendocs.ids.ac.uk/opendocs/handle/20.500.12413/16822>

International Energy Agency (IEA) (2021). *Net zero by 2050: A roadmap for the global energy sector*. IEA. <https://www.iea.org/reports/net-zero-by-2050>

IEA. (2023). *Fossil Fuels Consumption Subsidies 2022*. IEA. <https://www.iea.org/reports/fossil-fuels-consumption-subsidies-2022>

IEA (2022) *World Energy Investment 2022*, IEA, Paris. Available at <https://www.iea.org/reports/world-energy-investment-2022>

International Monetary Fund (IMF)(2022). *World Economic Outlook: War Sets Back the Global Recovery*. <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

IPCC (2022). *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Lösschke, V. Möller, A. Okem, B. Rama (eds.)]. Cambridge University Press. Cambridge University Press, Cambridge, UK and New York, NY, USA, 3056 pp., doi:10.1017/9781009325844

Kreibiehl, S., T. Yong Jung, S. Battiston, P. E. Carvajal, C. Clapp, D. Dasgupta, N. Dube, R. Jachnik, K. Morita, N. Samargandi, M. Williams, 2022: *Investment and finance*. In IPCC, 2022: *Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [P.R. Shukla, J. Skea, R. Slade, A. Al Khourdajie, R. van Diemen, D. McCollum, M. Pathak, S. Some, P. Vyas, R. Fradera, M. Belkacemi, A. Hasija, G. Lisboa, S. Luz, J. Malley, (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA. doi: 10.1017/9781009157926.017

Kuehl, J., Bassi, A., Gass, P., and Pallaske, G. (2021). *Cutting emissions through fossil fuel subsidy reform and taxation*. International Institute for Sustainable Development. <https://www.iisd.org/publications/cutting-emissions-fossil-fuel-subsidies-taxation>

Laan, T. and Maino, A. (2022). *Boom and bust: The fiscal implications of fossil fuel phase-out in six large emerging economies*. International Institute for Sustainable Development. <https://www.iisd.org/publications/report/fossil-fuel-phase-out-briics-economies>

Lankes, H.P. (2021) *Blended finance for scaling up climate and nature investments*. Report of the One Planet Lab. Available at

<https://www.lse.ac.uk/granthaminstitute/publication/blended-finance-for-scaling-up-climate-and-nature-investments/>

Lopez Carbajal, A., Rojas Squella, X. and Watson, C. (2021). *Consistency case study: actions supporting Article 2.1c of the Paris Agreement in Colombia*. Part of 'Climate-consistency of finance flows: iGST case study series'. <https://www.climateworks.org/independent-global-stocktake/finance-working-group/>

Mariotti, C (2021). The policy lending doctrine: Development Policy Financing in the World Bank's Covid-19 response. Eurodad. https://www.eurodad.org/the_policy_lending_doctrine

Mustapha, S. (2022). *Using the right mix of financial instruments to provide and mobilise climate finance: lessons for the Global Stocktake*. Part of the Financing Climate Action: iGST Discussion Series. https://www.climateworks.org/wp-content/uploads/2022/11/Using-the-Right-Mix-of-Financial-Instruments-to-Provide-and-Mobilize-Climate-Finance_iGSTFinance_Nov2022.pdf

Noels, J. and Jachnik, R. (2022). *Assessing the climate consistency of finance: Taking stock of methodologies and their links to climate mitigation policy objectives*. Organisation for Economic Cooperation and Development (OECD). <https://www.oecd.org/environment/assessing-the-climate-consistency-of-finance-d12005e7-en.htm>

Oil Change International (2022). Public finance for energy database. Oil Change International. <https://energyfinance.org/>


Organisation for Economic Cooperation and Development (OECD). (2022) *Aggregate Trends of Climate Finance Provided and Mobilised by Developed Countries in 2013–2020, Climate Finance and the USD 100 Billion Goal*. OECD. <https://doi.org/10.1787/d28f963c-en>

OECD (2023). *Development Cooperating Report 2023: Debating the Aid System*. OECD. <https://doi.org/10.1787/20747721>

Oxfam (2022). *Footing the bill Fair finance for loss and damage in an era of escalating climate impacts*. Oxfam Briefing Paper. <https://www.oxfam.org/en/research/footing-bill-fair-finance-loss-and-damage-era-escalating-climate-impacts>

Pandit Chhetri, R., Schaefer, L. and Watson, C. (2021) *Exploring loss and damage finance and its place in the Global Stocktake*. Part of the 'Financing Climate Action: iGST Discussion Series'. <https://www.climateworks.org/wp-content/uploads/2022/04/Loss-and-Damage-Finance-iGST.pdf>

Pettinotti L., Cao Y., Colenbrander S., Pandit Chhetri R., Khan M. P., Watson C. (2022) *Surfacing perceptions of equity in the finance themes of the Global Stocktake* ODI. Part of the Financing Climate Action: iGST Discussion Series <https://www.climateworks.org/independent-global-stocktake/finance-working-group/>



Picciariello, A., Bois von Kursk, O., Muttit, G., Adow, M., Goldthau, A., Hawila, D., Van de Graaf, T., Abbot, M., Day, T., Hans, F. Logan, A. Mooldijk, S. Tienhaara, K., and Dufour, L. (2022). *Navigating energy transitions: Mapping the road to 1.5°C*. International Institute for Sustainable Development. <https://www.iisd.org/system/files/2022-10/navigating-energy-transitions-mapping-road-to-1.5.pdf>

Pradipto, R., Susanto, A., Wirotomo, A., Adisasmita, A., and Beaton, C. (2016). *Financing development with fossil fuel subsidies: The reallocation of Indonesia's gasoline and diesel subsidies in 2015*. International Institute for Sustainable Development. <https://www.iisd.org/publications/report/financing-development-fossil-fuel-subsidies-reallocation-indonesias-gasoline>

Prasad A., Loukoianova, E, Feng, A X, Oman, W. (2022). *Mobilizing Private Climate Financing in Emerging Market and Developing Economies*. IMF Staff Climate Notes. IMF. <https://www.imf.org/en/Publications/staff-climate-notes/Issues/2022/07/26/Mobilizing-Private-Climate-Financing-in-Emerging-Market-and-Developing-Economies-520585>

Richmond, M., Choi, J., Padmanabhi, R., Lonsdale, A. (2021). *Financial Innovation for Climate Adaptation in Africa*. Global Center on Adaptation and Climate Policy Initiative. <https://www.climatepolicyinitiative.org/qca-africa-adaptation-finance/>

Rodriguez Osuna, A. (2022). *Accessing UNFCCC-linked multilateral climate funds: lived experiences*. Part of the Financing Climate Action: iGST Discussion Series. <https://www.climateworks.org/independent-global-stocktake/finance-working-group/>

Science Based Targets Initiative (SBTi) (2021). *Taking the temperature assessing and scaling-up climate ambition in the G7 business sector*. SBTi. <https://sciencebasedtargets.org/resources/files/SBTi-TakingtheTemperatureReport2021.pdf>

ShareAction (2022). *Tackling climate change*. ShareAction. <https://share-action-site.vercel.app/global-issues/climate-change>

Songwe, V., Stern, N., and Bhattacharya, A. (2022). *Finance for climate action: Scaling up investment for climate and development*. Independent High-Level Expert Group on Climate Finance. <https://www.lse.ac.uk/granthaminstitute/publication/finance-for-climate-action-scaling-up-investment-for-climate-and-development/>

Standing Committee on Finance (SCF). (2022a) *Mapping of available information relevant to Article 2, paragraph 1(c), of the Paris Agreement, including its reference to Article 9 thereof. Addendum Item 8a of the provisional agenda COP27*. Standing Committee on Finance, UNFCCC, p. 55. <https://unfccc.int/documents/620484>

SCF (2022b). *Report of the Standing Committee on Finance. Addendum. Synthesis of views regarding ways to implement Article 2, paragraph 1(c), of the Paris Agreement*.

Report of the Standing Committee on Finance. UNFCCC, p. 15. https://unfccc.int/sites/default/files/resource/cp2022_08_add03_cma2022_07_add03_adv.pdf

SCF (2022c). *Report on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation*. Report of the Standing Committee on Finance. UNFCCC. <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/standing-committee-on-finance-scf/progress-report>

SCF (2022d) *Fifth Biennial Assessment and Overview of Climate Finance Flows*. Report of the Standing Committee on Finance. UNFCCC. Available at <https://unfccc.int/topics/climate-finance/resources/biennial-assessment-and-overview-of-climate-finance-flows>

SCF (2021) *First report on the determination of needs of developing country Parties related to implementing the Convention and the Paris Agreement*. Report of the Standing Committee on Finance. UNFCCC. <https://unfccc.int/topics/climate-finance/workstreams/needs-report>

SCF (2018) *Third Biennial Assessment and Overview of Climate Finance Flows*. Report of the Standing Committee on Finance. UNFCCC. Available at <https://unfccc.int/sites/default/files/resource/2018%20BA%20Technical%20Report%20Final%20Feb%202019.pdf>


Steadman, S., Gilmour, A., Colenbrander, S. and Watson, C. (2022). *What do we have to lose? Understanding and responding to climate-induced loss and damage to cultural heritage*. https://cdn.odi.org/media/documents/ODI_What_do_we_have_to_lose.pdf

Taylor, M. (2020). *Energy subsidies: Evolution in the global energy transformation to 2050*. International Renewable Energy Agency. <https://www.irena.org/publications/2020/Apr/Energy-Subsidies-2020>

United Nations Environment Programme (UNEP) (2022). *Adaptation Gap Report 2022: Too Little, Too Slow – Climate adaptation failure puts world at risk*. UNEP. <https://www.unep.org/adaptation-gap-report-2022>

UN Environment (2018). *Climate Change and the Cost of Capital in Developing Countries: Assessing the impact of climate risks on sovereign borrowing costs*. UN Environment, Imperial College Business School and SOAS University of London <https://wedocs.unep.org/handle/20.500.11822/26007>

UN HLEG (2022). *Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions*. Report from the United Nations High Level Expert Group on the Net Zero Commitments by Non-State Entities. <https://www.un.org/sites/un2.un.org/files/high-level-expert-group-update7.pdf>



Urazova, I., Flinner, S., Beaton, C. and Gerasimchuk, I. (2023). *Shifting Public Financial Flows from Fossil Fuels to Clean Energy under the Paris Agreement*. International Institute for Sustainable Development Energy Program Submission to the UNFCCC First Global Stocktake. IISD.

Viswanathan, B., Raizada, S., Bassi, A., Pallaske, G. and Beaton, C. (2022). *India's State-Owned Energy Enterprises, 2020-2050: Identifying evidence-based diversification strategies*. IISD. <https://www.iisd.org/publications/report/india-state-owned-energy-enterprises>

Whitley, S., Thwaites, J., Wright, H., et al. (2018). *Making finance consistent with climate goals: insights for operationalising Article 2.1c of the UNFCCC Paris Agreement*. ODI, E3G, WRI, RMI. <https://odi.org/en/publications/making-finance-consistent-with-climate-goals-insights-for-operationalising-article-21c-of-the-unfccc-paris-agreement/>

World Benchmarking Alliance (WBA) (2022) *Financial System Benchmark*. <https://www.worldbenchmarkingalliance.org/publication/financial-system/>

